Ontario's Power Surplus | **Canada's Budget Crisis**

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The Nation's Business

Canada Nears Budget Crisis

Outgo Exceeds Federal Income

National Cabinet May be Needed

No Drastic Action on Rails Likely by Bennett

Newsprint Industry Cries for Leaders

Unbalanced Budgets May Lead to Crisis

FINAL solution of the tax-draining railway problem will have to wait, in the opinion of some of the shrewdest observers of the Ottawa scene; a first-class governmental financial crisis. That such a crisis is possible in Canada has been obvious since the middle of 1931 and each day seems to bring it closer. The sudden drop in the Canadian dollar probably indicates New York and London opinion that Canada has played with its public finances too long.

Most of the governments of the world have come sharply up against financial crises at some time during the period from 1929 to date. In practically every case an abrupt, but very acute budget crisis has been followed by drastic measures of treatment and slow but steady improvement. Britain faced its crisis in 1931. It met it by abandonment of the traditional British free trade theory in favor of protection; by abandonment of Britain's international rule of gold in favor of a managed currency; and by abandonment of the typically British party system of government in favor of a national government.

* * *

IN THE fiscal year 1930-1931 Canada had a deficit of $65,000,000 counting railway losses.

In the last fiscal year the country went behind $161,000,000.

During the current fiscal year, if allowance is made for losses on the government's ventures in wheat, the deficit will probably exceed $150,000,000, although taxes designed to bring in $55,000,000 of new revenue were imposed, and although some measures of economy have been instituted.

A serious financial crisis in the affairs of the Dominion government has been staved off by temporary measures just as it was in Britain for several years before the fateful crisis of 1931. But eventually there will come a time when continued borrowing to meet budget deficits will no longer be possible; when constant budget deficits will have undermined the confidence of home and foreign investors in Canada.

* * *

THERE is a breaking point in public finance and Canada is not far from it. Mr. Bennett apparently knows that. He realizes that a balanced budget cannot be achieved solely by taxation for he says: "We are dangerously near the limit of this country to pay additional taxes."

What the government is trying to do, the prime minister says, is "to hold together this country—to maintain its financial and industrial integrity."

It is a splendid objective but it cannot be achieved by continuance of present governmental spending policies. Before the Canadian budget can be balanced there must be a drastic and "painful" process of slashing off government departments and services. Mere economy in the sense of pruning expenditures will be of little value. If the country is going behind at the rate of more than $150,000,000 a year then it must find a way either to raise government expenditures by $150,000,000 or to cut them by $150,000,000 a year. Since the country is nearing its tax limit—if it has not already passed it—then the second course must be adopted. And $150,000,000 cannot be cut off the public outlay without a drastic action on the railways and without the closing up of scores of governmental bureaus and departments. In short we shall have to do without a lot of things that a great many people think we cannot get along without.

* * *

IF THE present government fails to achieve a balanced budget, if it finds that the necessary steps to a balanced budget cannot be taken by a party government because of the rigidity of public opinion, then the remedy will have to come in the way it has often come in the past in great national emergencies in British countries: through the successive steps of a political crisis, a national non-party government of those who are ready to risk their political lives in the national interest, a frontal attack upon the problems

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DOSCO FACED WITH PROBLEM MAJOR SIZE

Nova Scotia Steel Default Focusses Attention on Parent Firm

ACTIVITY RESTRICTED

Conditions Since Reorganization of Besco Have Militated Against Success

From Our Own Correspondent

MONTREAL.—Interest default and receivership of Nova Scotia Steel and Coal Co. has focussed attention on the parent organization, Dominion Steel and Coal Corp. giant Maritime organization formed in 1930 as a reorganization of British Empire Steel Corp. The $48,000,000 coal, steel and iron producer has had a difficult time in the past year but rumors that holders of the debenture stock will be asked to waive interest and sinking fund payments for a period of years are regarded as premature. Whatever course the management may take in the future is yet to be disclosed; as yet no such plan has come up for discussion.

The market trend of the debenture stock has not been encouraging, current quotations, on a nominal basis, are around 25. To date interest has been paid regularly; the next payment is due March 1. At the end of 1931 there was outstanding $13,499,995 of this issue, including $6,612,447 pledged as loans. The company is fortunate in that interest is payable in sterling or Canadian funds only.

Hardship Despite Deflation

Despite the tremendous deflation of capital structure which was undertaken when Besco was reorganized in 1930 conditions in the past two years have made for hardship in the new company. Every division of its activities have been hit hard by the industrial situation. The steel industry has been operating at a level unheard of in many years, coincident with the drop in steel production, coal mining activity has declined and the hoist in the company's mines was down about 20 per cent from the previous period.

Extent of the slash made in valuations of Besco properties is seen in the fact that total assets of that company were carried at $156,421,000 in its last balance sheet; this figure was cut to $53,320,000 in the first balance sheet of the successor organization, Dominion Steel and Coal Corp.

Even though much of the litter of the former structure was cleared away there still remains senior obligations of subsidiary companies in addition to the parent's debenture stock. Nova Scotia Steel and Coal Co. has defaulted interest payments due on $4,576,496 of 5 per cent first mortgages and $4,978,500 of perpetual debenture stock; possibly some plan will be evolved to clear up the impasse in which the company finds itself. Eastern Car, subsidiary of Nova Scotia Steel and Coal, has an issue of $684,600 6 per cent first mortgages but interest due January 1 on this issue has been paid.

Dom. Coal Position Improved

The other big factor in the Dominion Steel and Coal set up is Dominion Coal Co. which had outstanding at the end of 1931 $3,363,500 of 5 per cent first mortgage bonds, in addition to $3,500,000 of income bonds. Despite the fact that operations at its collieries have been curtailed in the past year, Dominion Coal has improved its financial position and strengthened its working capital position. It is expected that a loss of $1,223,072 reported in 1931 after all charges was cut in half last year. This is encouraging in the face of existing conditions and outlook for payment of interest due May 1 is influenced by progress made in 1932. Funded debt has been lowered by redemptions; the sum of $460,000 is paid annually to the trustee for sinking fund purposes.

As for Dominion Steel and Coal Corp. its revenue has been restricted on all sides in the past year. Its own properties and those of wholly owned subsidiaries have had to combat negligible demand for their products while it can hardly hope to look for much income from its holdings in controlled companies which are Nova Scotia Steel and

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Highlights of the Week

Events and Topics That Make Articles for The Financial Post This Week

Power Surplus

Ontario has 300,000 h.p. surplus electric energy in central industrial area. Hydro engineers discuss how long it will take to use it up. Exhaustive survey, first of its kind in Canada. Page 9.

"Inside Stuff"

Holding companies conceal vital facts from shareholders. Plea is made for franker publicity of holding company assets. Page 11.

Newest G.M.

Dudley Dawson is new managing head of Dominion Bank. The bank page tells his story. Page 12.

Central Bank

"Canadian Banker" summarizes the case against setting up a central bank in Canada and he suggests what he thinks would be a better move. Page 3.

High Finance

Canada's chief movie chain finds itself involved in receivership of Paramount Publix. It is a record of high finance in which Canadian investors have lost out. Page 1.

War Debts

Why is it necessary to have a debt settlement before we can have lasting, progressive recovery? A frank, informative discussion. "The World at Large." Page 6.

World Conference

The agenda of the world monetary and economic conference is outlined and discussed. Page 1.

Good Old Robot

Industrial leaders rush to defence of machine age as technocrats hasten to shelter. Page 3.

Economic Peace Object of Parley

Treaty of Economic Peace, Signed and Observed By All Nations, is Objective of London Economic Parley

With an annotated agenda already drawn up for discussion by the nations, the world Economic Conference is scheduled to meet at an indefinite date in 1933 not before May and possibly not before July. It will be held in London and its function will be to draw up an "economic treaty of peace" with the object of bringing about the "economic disarmament" of the world.

Must Settle Debts

A committee of "experts" from the larger powers has been meeting in Geneva and has drawn up an agenda for the conference. In the preparatory commission's report the preamble points to the facts of the existing world depression, and declares that if a "full and durable recovery is to be effected" the "prevailing conflict of national economies must be resolved." It is essential that the question of war debts should be settled as, until it is settled, debts will remain an "insuperable barrier to the economic and financial reconstruction."

American participation in the conference was said to be based upon the exclusion of the subject of war debts and tariffs from the programme. But there will be no Hamlet without Polonius and the Prince. The agenda, which apparently American delegates have approved will include tariffs. And while war debts are not on the programme the preparatory commission says of them:

"Until there is such a settlement, or the definite prospect of such a settlement, these debts will remain an insuperable barrier to economic and financial reconstruction. We therefore attach the greatest importance to the early resumption and successful conclusion of negotiations upon this problem."

It is possible that United States-British conversations will have brought war debts settlement near to finality before the World Conference meets.

Necessity for Action

Why is a World Economic Conference necessary? Simply because trade warfare has reduced world trade from $69,000,000,000 in 1929

(Continued on page 2, col. 1)

BUDGET CRISIS IS MAIN CAUSE WEAK DOLLAR

London and New York Have Grasped Situation

SELL SECURITIES

Other Reasons Include Talk of Inflation, Higher Empire Content Ruling, Bennett's Frank Statements

Realization in London and New York that a Canadian budget crisis may develop within the next few months is considered by close observers to be one of the chief reasons for the latest sharp decline in quotations for the Canadian dollar in those markets While gradual weakness in the dollar has been developing for more than a week, general observance of the situation brought wide discrepancies in exchange quotations probably indicative of panicky speculative operations.

General realization of the budgetary difficulties of the present government has perhaps not come yet to many in Canada. However, London and New York have been quicker to grasp the Canadian situation, and have acted accordingly. The situation in Canada is that the present government will probably not be able to balance the budget, and that drastic measures may have to be taken in this regard as was the case about two years ago in Great Britain. If a budget crisis does develop, it may bring about its own cure by enforcing realization of the situation on this country.

Hits Security Markets

Withdrawals of funds from Canada have unsettled markets for Canadian securities of both gilt edged and speculative types. Government bonds have dropped sharply, and pressure has also been exerted against leading Canadian stocks. It is understood that London is the chief seller and is withdrawing the proceeds.

The announcement from London of the increase from 25 to 50 per cent Canadian content required to entitle exports from this country to obtain the imperial preference has also been a factor in bringing the exchange situation to a head. Despite reports to the contrary, this ruling may restrict Canada's export trade to the United Kingdom in some important lines.

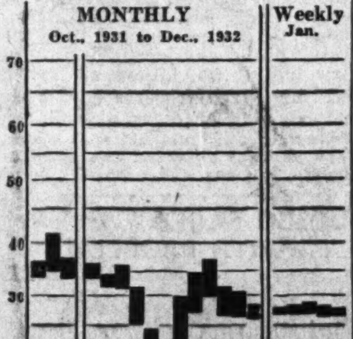
Recent inflationary talk is one of a number of other factors which have combined to weaken the position of the Canadian dollar. Although the Prime Minister, in his Toronto address, strongly reaffirmed the government's stand for sound money, it is always more difficult to dispell the harm worked by such talk than it is to create the rumors.

The passing of the peak season of wheat exports is also a weakening factor, but is by no means a new one. The peak of the season was reached in November, and although the reduction in exports of wheat cause a lessened demand for Canadian dollars, it would not bring sudden and sharp changes, which are usually due to financial factors.

Probably some nervousness may have been caused by Mr. Bennett's recent frank disclosures of the seriousness of the government's position in connection with taxation and the railway problem. He told a deputation of railway workers that Canada's railway problem is slowly throttling the life of the country, and he informed a deputation of labor representatives that we are "dangerously near the limit of this country to pay additional taxes." Less attention may have been paid to these facts in Canada than in foreign financial quarters.

One notable phase of the weakness of the Canadian dollar is that it has been fairly uniform in terms of leading currencies. While sterling, for instance, has been steady and at times strong in New York, the Canadian dollar has declined in terms of both these currencies. The same has been true of the quotation for Canadian dollars in francs, reischmarks, belga, lira and other currencies.

Stock Market



MARKET RECORD

20 Industrial Stocks	High	Low
Week of Jan. 31	27.6	25.8
Week of Jan. 24	27.8	26.4
Month of Jan., 1932	35.2	32.5
8 Bank Stocks		
Week of Jan. 31	166	163
Week of Jan. 24	166	165
Month of Jan., 1932	210	210
10 Public Utilities		
Week of Jan. 31	45	42
Week of Jan. 24	46	44
Month of Jan., 1932	57	54

CAN. AIRWAYS NOW REPORTS MUCH ACTIVITY

Operations Maintained Despite Slash in Mail Contracts

From Our Own Correspondent

MONTREAL.—When the edict went forth from Ottawa that air mail contracts would be drastically cut there were many who felt that their withdrawal would prove a heavy bar to progress of Canadian Airways Ltd., largest aviation organization in the Dominion. While loss of revenue formerly accruing from these contracts has been felt by the company figures for the first 11 months of 1932 nevertheless indicate that operations in that time were carried on at a higher level than in the same period in the previous year.

Final statistics for the past year are not yet available but up to the end of November all divisions of the company's operations showed gains over 1931. In the first 11 months of 1932 hours flown totalled 13,029 compared with 12,897 in the corresponding period of 1931. Mileage flown was 1,224,716 against 1,223,914, and mail, freight, and express carried totalled 2,021,816 pounds against 875,000 pounds in the previous year. Passengers carried rose from 6,139 to 8,751.

Transport work in the Mackenzie

(Continued on page 2, col. 5)

SIMPSON BOARD PLANS CHANGES IN MAIL ORDER

President Says Board Seriously Considering Whole Programme

The whole mail order programme of Robert Simpson Co. is under serious consideration by the Board of Directors of Simpson's, Ltd., stated C. L. Burton, president, at annual meeting of Simpson's Ltd. on January 31. This was because of the continued low level of farm products and the experience of the company in this department had paralleled the experience of large mail order houses in the United States. Catalogue expenses had been reduced and the whole business given close attention, but further plans were being considered.

Changes in Bond Order

With reference to the excitement produced by the change in order in the Simpson's Ltd. balance sheet whereby Robert Simpson preferred stock dividend came after Simpson collateral trust bonds, Mr. Burton stated that the changes were conformable to the prevailing practice of setting out one after the other the bonded liabilities of parent and subsidiary companies. The bonds of Simpsons Ltd., he said, are not a charge on the properties of The Robert Simpson Co., and any charge on the Robert Simpson Co., and any obligation of the Robert Simpson Co. would come before Simpson's bonds so far as net earnings of Robert Simpson Co. were concerned. The Robert Simpson Co., however, is operating a number of store properties owned by Simpson's Ltd., and the rentals payable therefor form part of the operating expenses of The Robert Simpson Co.

Mr. Burton also explained the changes in the fiscal year from the first Wednesday of February to the first Wednesday of January because in previous years it had been found that sales during January were interfered with by the necessity of going over inventories and balancing accounts. Sales had shown a decided improvement under the new method. In answer to a shareholder Mr. Burton said that it would not be fitting for him to make any statement as to prospects for increased revenue until prices of commodities stopped definitely going down. That continued decline was very discouraging.

One shareholder took exception

(Continued on page 2, col. 6)

No Default by Saskatchewan Provincial Treasurer Avers

Saskatchewan has not defaulted on payment of interest on its obligations to the Dominion government, the Financial Post is officially informed by Hon. M. A. MacPherson, provincial treasurer.

It was reported from Ottawa two weeks ago that an interest payment due on a $3,500,000 advance by the Dominion government to the province had been defaulted and added to principal.

The explanation offered by Saskatchewan's provincial treasurer is as follows:

"There has been nothing which could be construed as default on the part of the province. In respect to relief payments there are a number of matters for adjustment with the Dominion government and with the full approval of the Dominion government an arrangement was made in respect of this particular interest.

"Interest has been paid promptly and regularly on all bonds in the hands of the public and on treasury bills to the banks or the Dominion government for capital account and other purposes."

Widespread publicity was given to the recent report from Ottawa and investment bankers declare that the misunderstanding regarding what actually happened has injured Canadian credit in the United States.

From Our Own Correspondent

OTTAWA.—A privy council order of December 17 last authorized a loan of $3,679,989.73 to Saskatchewan. This covered renewal of loans of $500,000 and $3,000,000 maturing December 1 and December 19 and $179,989.73 accrued interest. In other words, the interest was added to the loan, when it was renewed.

New General Manager at Work

—Photo by Allan Sangster, Ashley & Crippen, Toronto.

Dudley Dawson, newly appointed general manager of The Dominion Bank, photographed by The Financial Post at his desk last week. Mr. Dawson succeeds C. A. Bogert, who was elected president of the bank.

The new "G. M." joined the bank in 1896 as a junior clerk, and has spent over 12 years in western Canadian branches, in addition to serving many years in the east. A sketch of Mr. Dawson's career appears on page 12.

Paramount Publix Corp. Goes into Receivership Will Fight Insolvency

Holders of Bonds and Common Stock Form Protective Committee—Famous Players Canadian Corp. Not Touched By Parent Company's Situation

DOMINION COMPANY EARNS BOND INTEREST

Directors and Officials Deny Reports That Paramount Has Borrowed or Taken Money From Subsidiary—Say Connection Has Been of Value—Seeking New Arrangements With Landlords

When Paramount Publix Corp. went into receivership on January 26 stock sank to 87½ cents a share, the same stock that sold as high as $77.25 a share in 1930 and was taken by Canadians in return for Famous Players Canadian Corp. common stock at the rate of four shares Paramount for every five shares of the Canadian company.

Probably there are no more than five or six per cent of the Canadian company's shares remaining unchanged into Paramount stock. At the moment it makes no difference to the owner because his Famous Players shares at the moment also are neither earning nor paying dividends but his prospects are better as the company is stronger financially for its size. Famous Players Canadian Corp. shares are held pretty closely and sales are reported but seldom; the few sales made in 1932, however, did go at from 7½ to 10 and might be much lower now.

Paramount has had heavy and continuous liquidation on the New York Stock Exchange throughout 1932 and 1933 until $1.75 a share was shown in July. The new films released in August, 1932, later aroused hope and prices went up to $7.50 only to drop steadily to the present point as the bearing of boom-time lease costs on falling revenues became better understood.

Will Canadian Company Be Sold?

Important questions are in the minds of shareholders and of investors generally as a result of developments in the last week. Some wonder if Paramount's need does not make an excellent opportunity to secure control absolutely and permanently for Canada of the chief chain of movies in the Dominion. Some are wondering if they did not exchange their stock in 1930 on false pretences, not knowing of Paramount's heavy commitments to buy back its own stock, and these are even talking tentatively of starting action. And some, who still own Famous Players stock, want to know if Paramount derives important revenue or is able to borrow large sums from Famous Players in a way to hurt the prospects of their holdings.

The minority protective committee, which tried to stop the exchange of shares in 1930, has not been disbanded and it is said that a call will be made to members to come together and consider the situation. Members are recalling the details of Famous Players-Canadian financing in the past and the series of bargains by which it came into control of the most as well as the largest moving picture theatres in Canada. One after another it absorbed more weakly financed companies which had theatres or chains the company saw possibilities in. They recall that control was brought back to Canada but withheld for a term of years by means of a voting trust agreement. They recall also that N. L. Nathanson, former managing director, reported an offer of $75 a share from Gaumont, that this was turned down by the directors who accepted the Paramount stock offer for their own stock and recommended it to shareholders. That stock is now worth 87½ cents a share for those Canadians who still retain what they then accepted. It is now spilt milk or water which has gone under the bridge but they wish the directors had accepted the Gaumont offer.

Protective Committees Form

Although the Paramount-Publix Corp., a motion picture producing and distributing corporation with assets of $166,000,000, was placed in equity receivership in New York City on January 26, this action does not affect the Famous Players-Canadian Corporation, which represents the company's chief activities in Canada, according to a statement by Arthur Cohen, managing director of the Canadian subsidiary. It does acutely interest, however, many hundreds of Canadian shareholders who still retain Paramount-Publix stock obtained in 1930 in exchange for their holdings of Famous Players-Canadian Corp., and the situation in the United States has also interest because it indicates the remedies sought for problems and stresses such as those also encountered in Canada.

Despite statements of directors that Paramount-Publix is not insolvent and will fight insolvency, measures have already been taken to form protective committees both for bondholders and for stockholders. A committee formed of Duncan A. Holmes, chairman, New York; Barney Balaban, of Balaban & Katz Corp., Chicago; John P. Bickell, of Toronto; Ruloff E. Cutten, of E. F. Hutton & Co., and Maurice Newton, of Hallgarten & Co., is already asking shareholders to deposit certificates with the corporate trust department of The Commercial National Bank & Trust Co., of New York, 56 Wall St., New York, as depositary. Richard W.

(Continued on page 15)

Checkered History of Famous Players

From the time of incorporation on January 23, 1920, and throughout its whole period of expansion in the next 13 years Famous Players Canadian Corp. has been run by Canadian directors but has been controlled either directly, indirectly or practically by either Famous Players-Lasky Corp., its successors, Paramount Famous Lasky Corp. formed in April, 1927, or the present company, Paramount Publix Corp., its present name being taken April 24, 1930.

At first the United States company held no shares of the Canadian company directly but owned instead a Canadian holding company which held a substantial block of shares. In 1928 it was represented that it would be for the benefit of Famous Players Canadian if control came entirely to Toronto and if practically all the shares were purchased and held by Canadians. This was done and Paramount's only hold on the Canadian company was the fact that a majority of the shares were placed in a voting trust, ownership being sold through trust certificates to the general public while the whole block could be voted by three trustees, Adolph Zukor, head of Paramount, who held no shares himself, I. W. Killam, head of the Royal Securities Corp., and N. L. Nathanson, at that time general

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NEW YORKERS YET BUY FEW GOLD SHARES

No Substantial Investment Position Being Taken; Buying Over-rated

APATHY TO GOLDS

But Little Evidence Exists of Sound Understanding Regarding Canadian Gold Stocks

By B. F. TOWNSLEY
Mining Editor

NEW YORK.—The much advertised investment interest by New York financial houses in Canadian dividend-paying gold stocks is confined to a small circle and applies to very few members of the New York Stock Exchange. Interviews with leading exchange members elicited the information that those members known to have personal interests in Canadian gold stocks had an appreciation for the investment opportunities offered but on a whole there was a decided apathy evidenced due principally to lack of information or a sound understanding regarding gold stocks on the part of those whose counsel guides the investment policies of the populace.

Most exchange members avowed that there was but slight trading on their part in Canadian gold stocks and as far as they were concerned they did not intend to try to influence their clients to switch into gold stocks.

The publicity that has been given to the interest of New Yorkers in Canadian gold stocks has led to the general opinion in Canada that a substantial investment position was not only imminent, but had already been taken. This idea seems to have been fostered by those who are ready to credit New York interests with all stock moves. The Financial Post was informed that Ben Smith, spectacular trader on the New York Stock Exchange, was known to be operating pools in at least two Canadian gold stocks and their rise was attributed to his activity.

Although there is a decided apathy by the majority of the New York Stock Exchange members to Canadian gold stocks, those houses that already have Toronto connections, either branch offices or important wire links, are boosting the Canadian golds.

World Rise in Price

The feeling is prevalent among sound financial advisors that New York Stock Exchange members are slowly awakening to the opportunities of gold stocks, but that a long process of education is necessary before they have a thorough appreciation of gold investments. There also is a feeling prevalent that if gold stocks continue to sky-rocket, New York Stock Exchange members and their clients will only awaken to the situation and make their commitments at peak prices that would have an unfortunate reaction for clients later.

A boom in gold stocks exists in mining circles throughout the world. The amazing angle of the situation, some folks say, is that the move toward higher prices should have been so long delayed when the economics of the situation were quite evident. But when a stimulus was given by a sudden rise in leading gold stocks, interest was whetted and caused a wave of buying.

The few New York brokers that have been active in Canadian golds have won thanks from their clients not only for maintaining or increasing their income but for the substantial appreciation shown. At least one New York broker, who deals almost exclusively in Canadian securities, has found it advantageous to install a direct wire to Toronto. Two have purchased seats on the Standard Stock & Mining Exchange.

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THE T. EATON CO LIMITED

The Nation's Business

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that have become too involved in party politics to be solved by ordinary parliamentary methods, and finally financial equilibrium.

Then will begin the process of financial and industrial reconstruction, a process that will be so hastened by the clean-up in the nation's finances that the temporary losses to certain elements in the population—such as civil servants, who would necessarily lose their positions, and direct or indirect beneficiaries of governmental largesse in other directions—would quickly be more than offset by industrial, agricultural and commercial gains that would provide additional employment in the country.

There can be no prosperity in Canada until the budget of the Dominion government is balanced without resort to borrowing or issuance of paper money. If Mr. Bennett's government does not balance the budget, even though it must hazard its political fortunes in the attempt, the balancing will come more suddenly, more painfully and more abruptly, as it has in Britain and other countries.

* * *

Government Action on Rail Problem

WHILE a vigorous newspaper debate has been precipitated by Mr. Beatty's proposal for "unification" of the Canadian National Railways with the Canadian Pacific system, there is no definite indication yet of federal government policy on the railway problem. The government may be regarded as open minded and only partially committed to implementing the recommendations of the Duff Commission for compulsory co-operation under a super-riding public tribunal. If, however, a better plan than the Duff plan is offered and it seems to be capable of adoption without party suicide, the government is doubtless ready to adopt it. But the political as well as the practical aspects of any proffered plan will be considered by the government. Mr. Beatty said that the Duff Commission erred if, as he assumed they did, they set themselves up as judges of what was politically practicable. But a cabinet is a different organization from a commission and it will consider practical politics so long as the absence of political crisis enables it to do so.

* * *

A SURVEY of official and unofficial opinion in Ottawa leads to the conclusion that the Bennett government will take this much action on the railway problem and no more:

Adoption by the government of the Duff proposal for a new board of trustees to run the Canadian National Railway. Appointment of five trustees, some of whom may be selected from the present board, instead of the three recommended by the Commission. Probable abandonment—although this is not yet certain—of the proposal for an arbitral tribunal to enforce co-operation between the C. N. R. and the C. P. R., but a strict understanding between the government and the new trustees that they are to have absolute authority to effect any measures of co-operation between the railways that in their opinion will reduce the losses of the C. N. R. and aid the financial position of the C. P. R. No steps in the direction of amalgamation or unification of the two systems.

* * *

SUCH a programme will prove disappointing to the business men who agree with President Beatty that nothing short of joint operation will effect the major economies that are essential if the railways are to make their contribution to the primary task of Ottawa—that of balancing the budget. On the other hand it will satisfy the people who are not yet convinced that railway amalgamation is either necessary or desirable. It will not debar unification from consideration at later date. It will satisfy those political observers whose careful analysis of public opinion leads them to advise the government that the public is not yet ready to accept any solution so painful and (to many people) so suspicious as handing over the government lines to the C. P. R. directors to manage.

In brief the determining factor in government railway policy will be political and if there were a switch of one party for another at Ottawa it would still be political. What is wanted, of course, is a constructive measure that would not be in danger of being immediately upset if there were a change of government. It is questionable if any party government will produce such legislation. A national government might.

* * *

Newsprint Leaders Still Do Not Lead

CANADA led the world in the production and export of newsprint in 1932. Next to grain, newsprint was the most important commodity in our foreign trade. To achieve this position, an industry has been made bankrupt.

Virtually every major producer is in difficulties. If they are not in the hands of the receiver then they are faced with the early prospect of having their creditors step in and take over control. The situation has become a vital one not only for the provinces concerned but the Dominion as a whole.

Speaking at the annual meeting of the Canadian Pulp and Paper Association, Hon. H. H. Stevens, Minister of Trade and Commerce, told the assembled delegates that "the solution of the problems of this industry would contribute marvellously toward the restoration of the rest of Canada."

No one will argue the point, but who will find a way out of the present troubles? Can one look to the leaders of the industry, the men who have directed affairs before and during the present crisis? Here is what Mr. Stevens has to say: "We are faced in these times with the fact that great captains of industry have in the last two or three years proved after all to be mere human beings, many of them very fallible; and some of us have come to the conclusion that they are not as great figures as they seemed to be. The great captains of this industry are at least in part to blame for the conditions that have developed."

It devolves upon the leaders of the industry to take up this challenge and justify the faith of thousands of investors in Canada, the United States and England, who contributed half a billion dollars to enable them to place Canada in the front rank of newsprint producers. Will they assume this responsibility or will they allow affairs to continue drifting, hoping that in time they will find an ally to help them solve problems which have been too big for them over the past two years?

ECONOMIC PEACE OBJECT OF PARLEY

(Continued from page 1)

to nearly zero and economic distress is universal. In the preparatory commission's report it is pointed out that the number of workers unemployed has been estimated by the International Labor office at no fewer than 30,000,000; wholesale prices have declined since October, 1929, by about one-third; world stocks of agricultural products and other raw materials continue to accumulate; industrial production has been drastically curtailed; the international flow of goods, hindered by currency disorders and restricted by the multiplicity of new governmental interventions, has been reduced to incredibly low levels, so that the total value of the world trade in the third quarter of 1932 was only about one-third of that of the corresponding quarter of 1929.

Signs of Improvement

The preparatory commission considers that further losses of ground cannot be contemplated without the gravest forebodings. Happily, in some quarters there have been recently certain auguries of improvement. Thus security markets in almost every country have for several months past shown a decided change for the better. Nevertheless, economic recovery will be halting and restricted if unaccompanied by broad measures of reconstruction. Three years of world-wide dislocation have generated a vast network of restraints upon the normal conduct of business, throttling business enterprise and individual initiative.

Defensively intended and in many cases forced by unavoidable monetary and financial emergencies, these measures have developed into a state of virtual economic warfare. It is not only in the field of trade that this tension exists, but also in the delicate sphere of international monetary and currency relations and in the world capital markets, where free international co-operation has given place to complex and harassing regulations designed to safeguard national interests. "If a full and durable recovery is to be effected," says the preparatory commission, "this prevailing conflict of national economies must be resolved."

Must Act Together

Concerted action by all the nations is urged.

"It will not, in our judgment, be possible to make substantial progress by piecemeal measures, it says. A policy of 'nibbling' will not solve this crisis. We believe that the Governments of the world must make up their minds to achieve a broad solution by concerted action along the whole front. Action in the field of economic relations depends largely upon monetary and financial action and vice versa. Concerted measures in both fields are essential if progress is to be made in either."

Six Lines of Policy

The lines on which action should be taken are set down for consideration by the governments possibly for agreement at the London Conference.

The subjects are divided into six classes:

(1) Monetary and credit policy.
(2) Prices.
(3) Resumption of the movement of capital.
(4) Restrictions on international trade.
(5) Tariff and treaty policy.
(6) Organization of production and trade.

Workable Gold Standard

Under the heading of monetary and credit policy the commission says:

"In the field of monetary and credit policy the objective must be the restoration of an effective international monetary standard to which the countries which have abandoned the gold standard can adhere. Each Government must remain free to decide when and under what conditions it could accept such a standard after most careful preparation and every safeguard against such a restoration of the gold standard leading to a fresh breakdown. In this respect the commission considers it would be useful to see whether measures can be taken with the co-operation of the central banks on the lines of the recommendations in the Report of the Gold Delegation of the League to ensure a greater stability of price levels in the future."

Seeks Higher Prices

Higher prices are cautiously suggested as possible by the commission which amplifies its second item as follows:

"The commission notes that the unprecedented fall of commodity prices has caused a growing disequilibrium between costs and prices, has immensely increased the real burden of all debts and fixed charges, has made business more and more unprofitable, and has resulted in a continuous and disastrous increase of unemployment. Deeming that some increase in the level of world prices would be the first sign of economic recovery, the commission wonders what methods can be used to counteract the fall in prices.

"It considers that one of the measures that should be envisaged is a general policy of easy money designed to promote a healthy expansion of business.

"It also thinks that the question requires to be considered whether in the case of certain primary commodities where large stocks are overhanging the markets a better level of prices could not be obtained by the regulation of exports or production. Such an arrangement could be of special importance in the case of wheat.

"The commission adds that any rise in prices which might be obtained by such means could naturally in the long run only be maintained by a general improvement of trade such as would follow from the abolition of present-day restrictions and the restoration of financial confidence."

Abolish Exchange Control

Balanced budgets are urged upon governments under the heading of exchange control:

"The abolition of measures of exchange control is, in the commission's opinion, an essential condition of world recovery, but such an abolition is only possible if there is a lasting balance in the budgetary system, and to secure such stability the governments concerned must make an effort to adapt their budgetary and economic systems. In some cases however, these efforts will not be sufficient so long as there is a mass of short-term foreign debts, which may at any moment be withdrawn. The commission also notes that the service of long-term foreign debts might entail great difficulties which must be examined with much care. The main objective must be to restore the confidence of the foreign lending markets, and this depends largely on the future level of prices.

"The commission considers that if appropriate action is taken on these points the markets of the creditor countries may soon be in a position to resume lending operations, but, fearing that the return of international confidence may be a slow process, it says that governments should consider whether they cannot expedite the restoration of free exchanges by methods likely to put into active circulation resources at present immobilized and thereby provide, under proper conditions, stabilization credits for the countries which require such assistance."

Freer Trade Essential

In the matter of freeing international trade the commission says "the great creditor nations have a special responsibility." It comments:

"The commission considers that there must be greater freedom of international trade, and recalls that one of the most significant features of the present crisis is the fall which has taken place in the value and physical volume of world trade. To a certain extent this fall has been caused, and has certainly been intensified, by the growing network of restrictions which have been imposed on trade during recent years. Every country seeks to defend its economy by imposing restrictions on imports, which in the end involve a contraction in its exports. Such a policy leads to an increasing paralysis of international trade. Governments should set themselves to re-establish the normal interchange of commodities.

"The commission says that every effort should be made to secure a general agreement for the progressive relaxation, and the complete abrogation at the earliest possible date, of the emergency measures—prohibitions, quotas — imposed on trade as a result of the crisis. In addition, it will be necessary for the governments to pay attention to the question of excessive tariffs and to arrive at agreements for the moderation and stabilization of tariff policies in the future."

Detailed discussions of the items of tariffs and organization for production have not yet been issued.

Programme for World

The commission's comment on its programme is as follows:

"In formulating this programme we have been dominated by the desire to find effective and enduring remedies for the present depression and for the unemployment which weighs so heavily on the whole world. We believe that partial remedies in this field will not be successful. What is needed is a comprehensive programme of world reconstruction, and this should be carried through as rapidly as possible so as to strengthen the forces which are now working toward recovery. We have here presented such a programme. We would not give the impression that the adoption of this programme could deliver the world at a stroke from the difficulties under which it is now laboring. But if the governments are prepared to undertake it, and also to settle political questions which lie outside the scope of the conference, we believe that confidence and prosperity can be restored."

Such is the agenda for a conference that may prove to be more significant for the world than the one that drew up the political treaty that ended the war of men and started the war of money.

The preparatory commission asserts that "in its essence the necessary programme is one of economic disarmament. In the movement toward economic reconciliation an armistice was signed at Lausanne; the London conference must draw the treaty of peace." Unless this is done the curse of nationalism and self-sufficiency will spread.

"Such a choice would shake the whole system of international finance to its foundations; the standards of living would be lowered and the social system, as we know it, could hardly survive. These developments, if they occur, will be the result not of any inevitable natural law but of the failure of human will and intelligence to devise the necessary guarantees of political, economic and international order. The responsibility of the governments is clear and unmistakable."

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DOSCO FACED WITH PROBLEM MAJOR SIZE

(Continued from page 1)

Coal; Eastern Car Co. and Dominion Coal Co. From the latter $210,000 was derived in 1931 representing payment of interest on its income bonds all of which are held by Dominion Steel and Coal.

Loss After 1931 Charges

In 1931 combined profits and returns from investments after expenses were shown at $813,737 in the income account of Dominion Steel and Coal Corp. Provision for sinking fund and depreciation left a net profit of $226,368. Interest on the debenture stock totalled $798,498 leaving a deficit of $572,130. A balance of $305,969 was carried forward into the past year.

CAN. AIRWAYS NOW REPORTS MUCH ACTIVITY

(Continued from page 1)

River area has been largely responsible for the company's ability to pile up larger totals in the year just past. Opening up of the Great Bear Lake area made wide demands on planes of Canadian Airways and over 300 passengers and 120,000 pounds of freight have been carried into this area alone during 1932. At the present time there are six machines in operation in this territory with occasionally seven or eight during rush periods.

An outstanding feature of the company's activity in the district last year was an aerial survey undertaken covering 150 square miles of territory adjacent to Echo Bay. Results of this work were ready three weeks from the day the survey was started, the completed map is a matched mosaic photograph on a scale of 800 feet to 1 inch.

Though Eastern and Pacific Lines have been active, operations have been concentrated in Western Lines. At the beginning of the year the company had 21 machines out of a total of 43 flying in the western division; transport conditions in this territory are particularly adapted to use of the airplane. Regular services are maintained between Sioux Lookout-Red Lake-Narrow Lake; Peace River-Vermilion; Winnipeg-Pembina-St. Paul and a service into the central Manitoba mining area and Island Lake. In addition, there is the famous Mackenzie River district service which includes the winter air mail from Edmonton to Aklavik.

Largest Mail Contract

In the latter service, Canadian Airways uses Fort McMurray as its jumping off base. It is interesting to note that the trip to Aklavik has been made in one day between daylight and dark whereas by dog team it is only possible to make one trip a season carrying 200 pounds of mail.

The Arctic mail service is the largest contract handled by Canadian Airways now. It was a severe blow when the government decided to cancel the prairie mail service (Winnipeg-Regina-Edmonton) and the Montreal-Toronto-Detriot mail, but there are still several small contracts being undertaken. These include the carriage of mail between Moncton and Prince Edward Island and also the mail service to the Magdalen Islands, Anticosti and Seven Islands, in addition to some other minor contracts.

Even aviation has not been free from the problem of price- cutting. In certain areas entry of freelance pilots with one or two machines has led to problems in regard to rates, for machines can be picked up cheap these days and flown for as long as they will last. It is pointed out, however, that this form of competition cannot be considered enduring. Unless planes are properly cared for and adequate provision is made for depreciation, efforts of cut-rate pilots are generally unsuccessful while in the event of a major accident a small concern without resources is faced with bankruptcy. Nevertheless activity in some of the mining camps has attracted attention and competition has been encountered from low rates offered by adventurous pilots.

Details of revenue in 1932 must await publication of the company's financial statement. In 1931 operating revenue was down some $400,000 at $1,412,797 and after expenses and depreciation there was a deficit of $279,958. There is no public investment interest in the enterprise though both the Canadian Pacific and Canadian National Railways have subscribed $250,000 each to capital stock.

Banks May Reduce Interest on Deposits

While no word has been issued by bankers on the subject, it is understood that conversations have taken place at Ottawa concerning lower interest rates for bank deposits. This bears out the suggestions of this possibility recently outlined in articles in The Financial Post.

Lower interest rates on bank deposits would tend to stir funds into other more profitable sources of investment. It is possible that a result might be that active employment of relatively idle funds would help business conditions, but it is also important that lower rates would probably improve prices for Government bonds. This would be desirable from the Government's point of view as it would tend to aid any new loans and refunding operations.

Can. Oil Cos. Drops Dividend May Show Trend

First evidences of strain in the Canadian oil business was given last week when Canadian Oil Companies reduced its dividend with the current declaration on the common stock from the basis of $1 a share annually to 50 cents a share annually. Smaller companies have been obliged to reduce or stop dividends because of the strain of continuing competition from Canada's excess refinery capacity and from imports, but this is the first large company, with stable earnings as shown by the record of the last decade, to do so.

Imperial Oil, B. A. Oil and McColl Frontenac are expected to show dividends covered by earnings in 1932. So far as 1933 is concerned there has been a reduction of 1½ cents in gasoline prices since the year began. This in itself takes $6,000,000 gross from revenues of oil companies in Canada and it is not made up for by the large decline in price of crude oil because of increases in taxation on crude in the United States, in surplus freight charges and in the exchange differential between the Canadian and the United States dollar.

Already, so far as oil company prospects are concerned, emphasis is being placed on 1933 experience rather than on results to be shown for 1932, even though the latter may be lower.

It is probable that the largest companies can maintain their positions even under present conditions if business volume picks up.

SIMPSON BOARD PLANS CHANGES IN MAIL ORDER

(Continued from page 1)

to the fact that no deduction had been made for depreciation in the profit and loss account. In his opinion that was as legitimate a charge as taxes, insurance or repairs, and that therefore the showing of a profit could not be regarded as legitimate. He doubted the advisability of the dividend on Robert Simpson Co. preferred under the circumstances, and thought the board was open to criticism for omitting such an important item in order to show a profit.

Mr. Burton, in reply, referred to the directors report on this point and their statement that, in the opinion of directors and auditors, the reserve of $1,831,156 already provided since June, 1929, was "adequate to meet accrued depreciation to date." Heavy amounts of depreciation had been charged back in the early days and beyond the schedule set up by directors and auditors.

The dissenting shareholders insisted that what might have been adequate a year ago could not be considered adequate now. The Federal Government allowed 2½ per cent depreciation on first-class buildings, 10 per cent as a reasonable amount for factories and 20 per cent for equipment. He considered that none of the assets in the world today are worth what they were a year ago and he was not satisfied with the statement.

Sees No Immediate Improvement

Mr. Burton stated that he would not review general trading conditions as that had already been exhaustively done by presidents and general managers of banks and other Canadian financial institutions. The effect of unemployment, the low level of business and especially of trading restrictions had been serious on their business. Lowering of wage levels and unemployment especially had restricted spending power of customers and the dropping value of commodities had made a considerable difference in the total of the average individual sale. He saw no reason to expect an immediate change for the better. Loss in spending power of the rural customer was closely tied up with the low value of farm products.

Sales Down 17.4 Per Cent

Total sales of Simpson's Ltd. were 17.4 per cent below the total for the same period of the preceding year whereas reports from the United States showed that similar merchandising institutions had suffered a general reduction in business of 23.4 per cent. The sales for the first three weeks in January, owing to the change whereby it becomes the first month of a new year, were only 7 per cent below the same total in 1932. The number of individual transactions were maintained at the level of the preceding year.

Toronto And Montreal Do Well

The Toronto store had actually enlarged its volume. Notwithstanding losses in certain lines of business the company had served at that store as many customers as previously. The Montreal store made definite progress although the death of the late Colonel Herbert Snell, manager of the Montreal store, was a great loss. D. H. Gibson, vice-president of the company, had been giving his close personal attention to that store for months. In this store there had been both an increase in dollar volume of business and an increase in number of transactions beyond anything in the past.

Mr. Burton said that investments in merchandise have been steadily reduced and for the coming spring would show a great reduction. The inventory was in a clean current position even better than the satisfactory position shown a year earlier.

Collections Good

Accounts receivable were less than those shown in the preceding year and had since been reduced by a further $400,000 (this item is shown on the balance sheet at $4,517,794). This latter reduction is due to the fact that the closing of the year on January 3 included large Christmas sales due on January 10. Collections had shown a larger percentage to the total outstanding than in January of 1932. The record of collections during 1932 was one of the most satisfactory features of a difficult year.

Joins Brokerage House

H. T. Dunn, New York, has been admitted to a general partnership in the brokerage firm of J. R. Timmins & Co., members of the New York Stock Exchange. The company has offices in New York, Montreal and Toronto.

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BRIGHTER FUTURE FOR LUMBER TRADE SEEN BY EXPERT

Exchange Difficulties Most Pressing, G. B. Nicholson Thinks

AT ANNUAL MEET

Discuss Maintaining Trade Agent in Britain to Represent Eastern Canada Lumber Mills

Brighter days for the lumber industry were visualized by George B. Nicholson, chairman of the Economic Committee of the Canadian Lumber Industry, in his address at the annual meeting of the Canadian Lumbermen's Association on the Empire Conference as it affected the lumber industry. "It is my firm conviction," he said, "that as conditions settle down and as world exchange gets back to normal, the work your committee was able to do at the conference will accrue to the advantage of the industry."

Commenting on the Russian situation, Mr. Nicholson told the members of the association that he thought that article 21 of the United Kingdom-Canadian agreement, an agreement relating to state dumping, will ultimately prove equally advantageous as the embargo asked by the Canadian lumber trade.

In presenting his report, J. S. Gillies, president of the association refrained from making any prediction regarding the future of the industry. "The past year has not been all that we could have hoped for," he said, "but our business here is concerned with 1933 and with what we can do to make the new year better than the one just passed."

Delegates were concerned with the matter of a representative for the Eastern Canada lumber trade in the United Kingdom. The president pointed out that this representative would not be primarily a salesman but rather a publicity man, trade agent or commissioner. Mr. Gillies stated that the association had this matter under discussion with the governments of the four eastern provinces and asked for the support of members in this regard.

Mr. Gillies pointed out that the lumber industry was one which had not been subsidized in any way and as a basic industry of the Dominion it was one that ought to be fostered, not by subsidies but by more equable taxation. "The lumber industry has been brought to its present position," he stated, "not by its own negligence but by outside circumstances, chief of which are the state-controlled lumber industry in Russia, the exchange situation, the world-wide tariffs and restrictions on trade, and the high taxes on a reduced output."

Lumber Cut

Lumber cut in the eastern provinces in 1932 amounted to 508,829 M. feet board measure compared with 990,398 M. ft. b.m. cut in 1931, a decrease of 48.6 per cent, according to the compilation made by the association and presented by R. L. Sargant, secretary-manager. Mr. Sargant stated that the response to questionnaires sent out to mills was very poor in 1932 only about 50 per cent replying. The above figures, however, are estimated for the total cut of all mills.

Of the 1932 cut, softwood accounted for 452,921 M. ft. and hardwood for 55,908 M. ft. compared with 850,675 M. ft. and 139,723 M. ft. respectively in 1931. Spruce and white pine are the chief softwoods, the former accounting for more than 50 per cent of the 1932 softwood cut and the latter for nearly 25 per cent.

Estimated production of other Canadian provinces was also given, bringing the Canadian total for all woods to 1,478,829 M. ft., 890,000 M. ft. of which is credited to British Columbia. Detailed statistics for eastern provinces are as follows:

Eastern Provinces Lumber Cut

	1932 M. ft. b.m.	1931 M. ft. b.m.
Softwoods:		
Spruce	237,185	343,760
White pine	108,518	289,157
Red pine	48,070	51,981
Jack pine	28,532	92,449
Hemlock	17,995	43,778
Balsam fir	9,446	25,000
Cedar	3,175	4,555
Total	452,921	850,675
Hardwoods:		
Birch	33,580	81,474
Maple	8,020	26,980
Basswood	5,009	10,146
Elm	3,368	6,338
Others	5,940	14,785
Total	55,908	139,723
All wood	508,829	990,398

In addition to obtaining data on lumber cut in the eastern provinces during 1932 the association attempted to obtain data on the amount of stocks on hand in the autumn of 1932. The response to a questionnaire, sent along with the annual one asking for information on lumber cut, was even poorer than the response to the latter, 702 replies being received from nearly 2,400 questionnaires sent out.

Results obtained from this attempt are therefore inconclusive but the association intends to continue this in 1933. In this connection Mr. Sargant said that he hoped that better results could be obtained toward the close of 1933 and some arrangement come to in the future so that stocks on hand could be compiled at stated intervals throughout the year.

Maple Sugar Producers Obtain Better Prices

A market for maple sugar which pays twice or three times as much as that paid by dealers had been obtained by the Quebec Maple Sugar Producers Association for its members, it was announced at their annual meeting held recently. Dealers have been offering from three to three and a half cents a pound while the association has been able to absorb the entire production of its members at a price varying from 6 to 9 cents a pound according to quality.

Result of the trip made by the secretary manager of the association to Europe last year is seen in increased exports to European countries. It was stated at the meeting that in the two past months shipments of maple sugar had exceeded those for the previous twelve months.

N. S. Fish Landings Higher

During the month of December last, fish landings for the Province of Nova Scotia amounted to 9,243,700 pounds, having a landed value of $290,627 as compared with 8,009,100 pounds, having a landed value of $256,694 for the same month of 1931.

Says Central Bank Can't Help Canada

Banker Recommends Economic Advisory Committee as More Useful—Arguments Against Central Bank Summarized

BY A CANADIAN BANKER

If the arguments which I have presented in this series of articles have appealed as sound to those who have followed them, they will share my belief that:

A central bank will not be able to control credit in Canada by variations of its rediscount rate any more effectively than can be done by suitable alterations in the rate on loans under the present Finance Act.

Open market operations by a central bank in Canada would of necessity be very limited in scope and would, therefore, be unlikely to have any material effect on the supply of credit available.

No Stimulus Needed

No stimulus from a central bank is necessary to encourage the chartered banks to extend to sound borrowers any credit which they require.

To "grant credit more freely," that is to lend to those who are not now considered good credit risks, can result only in disaster to any bank that follows such a policy.

The establishment of a central bank cannot, therefore, increase by one dollar the supply of commercial credit now available in this country.

A policy of forcing exchange rates to some completely unnatural level and endeavoring to maintain them there is to court almost certain and costly failure.

Excessive artificial depreciation of our currency may result in a "flight from the Canadian dollar," which would do such grave injury to Canadian financial reputation abroad as to far offset any temporary advantage we might hope to gain.

To adopt in Canada a deliberate policy of depreciation is to increase the tendency toward an international competition in depreciation which must result in a further fall in world commodity prices and a deepening of the general depression.

Stabilizing Exchange

A policy which aims at achieving a reasonable stability in exchange rates at their "natural" level is feasible (though difficult to carry out), provided adequate resources are made available at home and abroad, but to establish a central bank for this purpose is entirely unnecessary and grossly extravagant, since the existing machinery of the chartered banks is adequate for the purpose and they could perform this function on the government's behalf.

The net annual profits of the chartered banks (0.55% of total assets in 1932) are in reasonable relationship to the very real service which they give to the public and to the risks which they perforce incur in extending credit.

A withdrawal of 7% of present assets of the chartered banks and a reduction of their annual net earnings by over one-fifth would unquestionably weaken Canada's banking structure.

May Overstate Benefits

It should be borne in mind that if a central bank comes into existence it is likely to do so only as a result of a bitterly contested election campaign in which the necessity for creating such a bank will be one of the principal points at issue. In the heat of the campaign ill-considered but positive pledges would certainly be made as to the benefits which would be assured by its establishment. The bank would, therefore, commence its operations handicapped by exaggerated expectations as to the immediate results which it should produce and its directorate would be under constant pressure from the government and the public to take prompt action to justify these hopes. It would, under these circumstances, be most difficult, if not impossible, to deliberate carefully upon and adopt a well considered policy.

If what I have said has carried conviction to my readers, I think they will agree that in so far as Canada's domestic situation is concerned the results which may be expected from a central bank do not in any way warrant the cost to and impairment of the present banking system which its creation would involve.

Restoring Purchasing Power

Canada, in common with the rest of the world, is seeking to cope with the urgent problem of restoring the lost purchasing power of a substantial number of her population. No clearer proof is necessary of the extreme complexity of that problem, its international character and the extent to which the numerous factors which enter into it are inextricably interlocked than the almost complete lack of unanimity among the world's leading economists as to the steps which should be taken to remedy the situation. There is even a considerable diversity of opinion as to the causes from which these disastrous effects arose.

This uncertainty on the part of men best qualified to solve such an enigma appears to cause no tremor of doubt in the complete assurance of those who attribute the onset and continuance of the depression in Canada with all its attendant misfortunes to the defects of the monetary system and the shortcomings of our chartered banks, either separately or in combination.

Causes of Our Ills

To restrict the causes of our present ills to so narrow a field is to ignore completely many fundamental changes in the world's social and economic structure, for example:

The uprooting from their ordinary activities in production and trade of some 65,000,000 men who served in the war. The death of some 10,000,000 of these men, mostly in the prime of life, and of countless thousands of refugees. The incalculable effect which this brought about on the world's future consumptive and productive capacity.

The vast alterations throughout the world in volume, character and geographical origin of factory and farm output necessary to maintain and equip the armies in the field. The transfer in national ownership of huge sums of accumulated capital and the creation of international and domestic governmental indebtedness in fantastic amounts which the war effort involved.

Trade Strangulation

The attempt of almost every nation, by repeated increases in its tariff barriers, to preserve the home market for its own producers while maintaining or increasing the volume of its exports. The consequent slow strangulation of international trade which since 1929 has shrunk in value by over 58%, a shrinkage largely responsible for the disastrous fall in price levels throughout the world. The fact that this fall in prices has been most uneven, the prices of manufactured goods in Canada having declined 32%, and those of farm products 57% below the 1926 level.

The marked maldistribution of gold, due largely to tariffs and payments upon inter-government debts. The demoralization of many national currencies which ensued.

Ills Due to Politics

These developments, which have all taken place in the brief period of eighteen years, should, I believe, be sufficient to convince any but the most biased that neither upon the monetary system, whatever its imperfections, nor upon the policies followed by the banks in this country can be placed the sole or even the main responsibility for the conditions in which we now find ourselves. Instead I think it must be evident that the world's economic disorders (including our own) are due almost entirely to political decisions which have had the most drastic effect on the trade and prosperity of nations other than those by whom these decisions were made — effects never anticipated at the time the policies were framed.

It is true that many of the political decisions which have helped to bring about the present difficulties were forced upon those in authority by the irresistible pressure of events; others, however, were deliberately made in the honest belief that they would remedy some critical or threatening situation which had arisen in national or international affairs. That they eventually proved an aggravation instead of an amelioration to the world's ills throws a stronger emphasis on the danger of concentrating corrective measures on one constituent part of a problem without full consideration of their effect on other factors equally or more important.

International Problems

Is the creation of a central bank in Canada warranted (aside from its probable impotence in the domestic field) as the most suitable instrument to deal with the tangle of clashing interests in which our relations with other nations are involved? In my opinion such a bank is neither the logical nor the most efficient organization to undertake this duty.

Born, as I have said, in an atmosphere which would make cool deliberation extremely difficult, could the central bank consider with the necessary impartiality and detachment questions involving, for example, the sacrifice for the benefit of the country as a whole of the interests of one class or geographical group of the population for the relief of some other class or group; the relinquishment of an apparent national advantage which the bank realizes to be temporary for some appreciable though deferred step toward world recovery? That a central bank could decide upon and carry into effect some major national or international policy in which the Government did not fully concur is unthinkable. In matters of national policy the Government is and must remain supreme and be prepared to accept full responsibility. It cannot absolve itself from this obligation by delegating it to any corporation such as the bank.

Body of Experts Required

It is clear, therefore, that what in fact is required is a body of experts to which the Government may turn for information and advice in deciding the economic policy best suited for the domestic situation and the improvement of Canada's relations with other nations In my opinion the mere fact that a central bank would be organized as a separate corporation would expose it to influences and criticism which must inevitably detract from the ability of the directorate to view problems with the necessary detachment.

Recommends Economic Committee

I would recommend that in place of a central bank the Government should set up a permanent economic advisory committee charged to concentrate its efforts upon finding the best way through the maze of troubles in which we are entangled. This committee should be composed of the most intelligent, experienced and practical men it is possible to secure. Consideration might be given to obtaining as chairman an outstanding British economist who would bring to the deliberations of the committee a broad international point of view. Under such chairmanship the committee would be better fitted to decide without fear or favor what course of action would provide for Canadians the maximum of benefit with the minimum of suffering.

The committee would devote itself to the study of the disorders, national and international, that now afflict us, unhampered by the duties and responsibilities which the administration of a central bank would involve. It would examine dispassionately the plans so strongly advocated in various quarters, considered the results which would, or might, follow their adoption and pass on the soundness of the proposals. It would meticulously investigate the experiments being tried elsewhere, for example, in Australasia and Sweden, and the possibility of adapting any of their favorable features to Canadian conditions.

Would Advise Government

It would advise the Government upon such matters as the desirability of altering the borrowing rate for loans under the Finance Act and collect data which would permit an intelligent attempt at exchange rate stabilization. It could, by the periodical issue to the public of analyses of economic subjects, create a body of enlightened opinion which would be a steadying influence to the country. Its members could represent Canada at international economic conferences or act as expert advisers to those whom the Government appointed as delegates.

It could, in fact, perform equally or more effectively than a central bank almost every function for which it is proposed that such an institution should be established; it would do so at a tithe of the cost of the annual operation of the bank and without the impairment of the present banking structure which the creation of the latter would involve.

Warns Against State Banking

May I warn those advocates of a central bank who contemplate its foundation merely as establishing a control over our monetary system and an improvement of our present banking machinery that others support the project as the first stage in a programme of state ownership and operation of banking and of every form of corporate business activity. I am confident that such a policy as the latter if openly stated will not gain the approval of the vast majority of Canadians in substitution for our present form of Government.

For the reasons given in these articles I am convinced that Canada needs no central bank and that its establishment would be against the best interests of our country.

Editor's Note.—This is the eighth and final article in a series by a Canadian banker, written for The Financial Post, to give the viewpoint of Canadian chartered banks on the question of a central bank for Canada.

GEORGE WESTON COMMON EARNED $1.09 A SHARE

Working Capital Down as Result of Consolidations; Inventory Up

Net operating profit of George Weston, Ltd., and its subsidiary, William Paterson, Ltd., in 1932 is reported at $137,322, as compared with $153,963 for 1931, and after deducting reserve for income tax of $15,394 and preferred dividends there remained $1.09 per share earned on each common share, as compared with $1.46 earned in 1931. Since operating profit, after depreciation but before deduction of taxes, is stated to have been $263,323, taxes paid by the company are indicated to be $126,001. Conditions within the biscuit industry, and reduced purchasing power of the public resulted in a small drop in unit sales, while the increased sales tax also affected earnings.

The income and surplus account of the company is as follows:

INCOME AND SURPLUS ACCOUNT

Years Ended December 31

	1932 $	1931 $
Net oper. profit	137,322	153,963
Less: Inc. tax res.	15,394	15,847
Net profit	121,928	138,116
Less: Pfd. divds.	67,347	65,094
Common divds.	50,000	50,000
Surplus for year	4,581	23,022
Add: Prev. surplus	282,085	262,946
Less: Taxes on prior years	1,442	3,883
Balance forward	285,224	282,085

Various changes have taken place in the balance sheet, which are attributed to consolidation of controlled companies and which have reduced working capital to $430,577 from $664,169 shown for 1931. Cash is down to $35,536 from $156,275; accounts receivables are down to $300,300 from $417,201, while inventories are up to $279,317 from $229,547. Accounts payable are up to $154,682 from $110,507, while income tax reserves at $15,394 and common dividend payable of $12,500 remain practically unchanged. Working capital position is as follows:

Working Capital Position at December 31

	1932 $	1931 $
Current assets	613,153	803,023
Current liabs.	182,576	138,854
Working capital	430,577	664,169
Ratio	3.36—1	5.78—1

Among non-liquid assets, the account receivable from George Weston Bread & Cakes Ltd. relating to the purchase of Lawlor's Bread, Ltd., shown at $256,250 in 1931, no longer appears on the balance sheet but investments at cost are up to $670,416 from $387,322. These are un-stated investments in controlled and related companies and $188,271 is in bonds and $481,195 is in shares of such companies. Life insurance premiums are up to $23,407 from $16,530. Land, buildings, plant and equipment are down to $1,088,350 from $1,105,143 after depreciation reserve of $260,987, which has been increased by $38,898.

Special accounts payable arising from purchase of Lawlor's Bread, Ltd., shown at $206,250 in the 1931 balance sheet, are no longer shown. Reserve for contingencies remains at $50,000. There is outstanding 8,780 shares of 7% preferred stock of $100 par value and another 220 shares is held by the subsidiary company, the latter holding having increased by 100 shares in 1932. There is 50,000 shares of common outstanding, of which 1,390 shares is held by subsidiary. There remains outstanding 596 shares of preferred stock of William Paterson, Ltd. Contingent liabilities are up to $116,612 from $76,244 and there still remains a guarantee of $85,000 of advances to controlled companies.

Popularize Canadian Maple Products

Recent efforts to popularize Canadian maple products in the United Kingdom have resulted, it is said, in the sale of more maple syrup and sugar in the past two months than in the previous twelve. Co-operation between the Maple Sugar Producers' Association and the Hon. Adelard Godbout, Minister og Agriculture for the province, has been a feature of recent months in this line of production.

New Provincial Bank Officials

ALFRED LAMBERT

GEORGES A. SAVOY

At the recent annual meeting of the Provincial Bank of Canada in Montreal, Alfred Lambert, a commissioner-censor of the bank since 1929, was elected to the board of directors, and Georges A. Savoy, proprietor of the Dominion Blank Book Co., of St. Johns, Que., was appointed a commissioner-censor of the bank.

Leaders in Industry and Economic Thought Believe in Machine Age

General Motors President Leads Symposium Which Answers Technocrats

SEES NEW NEEDS

Howard Scott Repudiated by Columbia and Chief Technocrats — Break is Final

Now that Columbia University has repudiated Howard Scott, disavowed technocracy, refused further space for the continuance of researches under the aegis of Scott, the problems created by the machine age can be approached usefully once more with some sense of proportion. Professor Walter Rautenstrauch, head of the department of industrial engineering announces that research will be continued by a new organization under another name, and Bassett Jones, co-worker in the new research, said the new body at Columbia is "starting with blank paper from scratch." The new group, he said, will be an investigating body and assert nothing. Dr. Rautenstrauch disavows any idea of a government by engineers, deplores any idea of the regimentation of society by technicians and says he hopes Columbia will make its research a continuing institution available for any industry that wants to learn the facts concerning itself.

At the same time Howard Scott, head of technocracy, states technocracy will continue its activities outside Columbia and with the same corps of workers. These 100 workers, made up out of unemployed engineers, have to be paid and Scott's solution of that problem has not been made public. Scott is said to be welcome to all the charts and data so far compiled as Columbia's new body wants statistics compiled altogether under its own direction and for which it can assume responsibility. The final break in technocracy came after four weeks of growing disapproval by Prof. Rautenstrauch, Bassett Jones, Frederick L. Ackermann, New York architect, and Leon Henderson of the Russell Sage Foundation, over statements by Howard Scott as to the nearing end of the price system and growing unemployment ending in a crisis inside 18 months. Statistics offered by Scott also was criticized as grossly exaggerated and his conclusions as unjustified by the facts.

Howard Scott Speaks

Howard Scott gave the final push of technocracy toward the abyss he had predicted for the present order by a radio address on January 14. In that address he said that most of the attacks on technocracy were based on data or statements that had not been made by technocracy. But the criticisms in The Iron Age, the New York Herald Tribune and The Financial Post would have been just as applicable to the address made by Howard Scott. There was a great gap fixed between the undeniable fact that technological progress has multiplied many times in various lines the productivity per human unit and his further prediction that therefore the price system is doomed. Nor has he even proved, and it is impossible for him to prove by isolated statistics concerning different applications of energy to industry, that unemployment is due to growing technological efficiency. The unemployment is so plainly due to other things.

The new Columbia group disavows the attack on the price system and the predictions of doom. With these things eliminated it takes its place among studies pursued for many decades and holds nothing original or revolutionary.

Saw Apparitions in Air

One thing is apparent, however: every time of national or world calamity in the history of the world has been a wonderful breeding time for fortune tellers, necromancers, "Woe woe!" prophets and the like, and today human nature is running true to form. The new soothsayings are given a scientific jargon but belong to the old genre. One is reminded of Daniel Defoe's "A Journal of the Plague Year" by Howard Scott's predictions of disaster in 18 months to two years:

"The apprehensions of the people were likewise strangely increased by the error of the times, in which, I think, the people, from what principle I cannot imagine, were more addicted to prophecies and astrological conjurations, dreams, and old wives' tales than ever they were before or since. . . . Certain it is, books affrighted them terribly, such as Lilly's Almanack, Gadbourie's Astrological Predictions, Poor Robin's Almanack, and the like; also several pretended religious books, . . . one called 'Fair Warning'; another 'Britain's Remembrancer'; and many such, all, or most part of which, foretold directly or covertly the ruin of the city. Nay, some were so enthusiastically bold as to run about the streets with their oral predictions, pretending they were sent to preach to the city; and one in particular, who, like Jonah to Nineveh, cried in the streets, 'Yet forty days and London shall be destroyed.' . . . . He held on his dismal cries continually.

'Next to these public things were the dreams of old women, or, I should say, the interpretation of old women upon other people's dreams; and these put abundance of people even out of their wits. . . . Some heard voices warning them to be gone, . . . others saw apparitions in the air; and I must be allowed to say of both, I hope without breach of charity that they heard voices that never spake and saw sights that never appeared, but the imagination of the people was really turned wayward and possessed. And no wonder, if they who were poring continually at the clouds saw shapes and figures, representations and appearances, which had nothing in them but air and vapor."

In striking contrast to these prophecies of gloom ancient and modern are optimistic views of one hundred and fifty leaders in education, industry, economics, finance and engineering have just been summarized by Alfred P. Sloan, Jr., president of General Motors Corp. Technocracy, to the contrary, these leaders agree that the end of the depression is to be found along the old road of scientific research, by pressing still harder along the path of inventing labor-saving devices and by creating new industries. The people from whom Mr. Sloan solicited an opinion as to his own company's policy in following this line included bank presidents, and nationally known presidents of universities, heads of engineering departments, economists of international standing, bankers, industrialists, financiers, statesmen and railroad executives.

"Research, invention, improvement of labor-saving devices are more important today than ever before," Mr. Sloan said. "I hope that out of these new needs, new commodities, new industries will be developed, stimulating industrial and economic effort and creating new and enlarged employment opportunities

Lumber Exports Reveal Gains by Br. Columbia

From Our Own Correspondent

VANCOUVER.—An indication of the extent to which British Columbia's lumber industry has profited from Empire trade preferences is to be found in the fact that out of a total export trade of 446,889,543 feet in 1932, more than $250,000,000 feet was to Empire countries.

This province accounted for a larger proportion of the export lumber business from this coast than in many years. The percentage was nearly 20 per cent, while the total contribution of the states of Washington, Oregon and California was considerably less than usual.

B. C. Dominates U. K. Trade

A year ago the British Isles took barely 50 per cent of its lumber requirements on this coast from British Columbia, but last year the sales from this province in the United Kingdom were more than 71 per cent. Australia and New Zealand bought nearly all their foreign softwood from this province.

China's purchases in B. C. increased from 14.62 per cent to 28.84 per cent of the northwest trade. More than 50,000,000 feet was sold by B. C. to China, and 60,000,000 feet to Japan.

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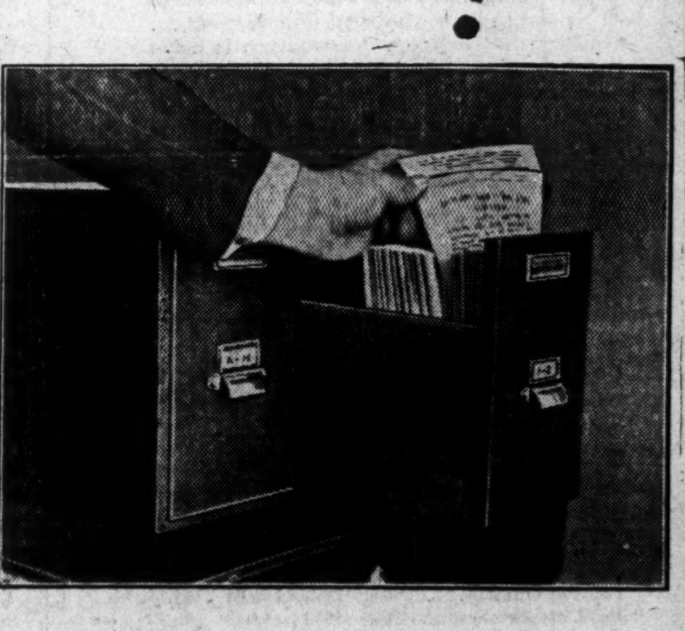

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Utilities and Transportation

MONTREAL POWER BETTERS POSITION DURING PAST YEAR

Share Earnings Register Small Decline From 1931

From Our Own Correspondent

MONTREAL. — Montreal Light, Heat and Power Consold. maintained its position in 1932. Both gross and net earnings were somewhat lower than in 1931, but the decline was small and the amount available for distribution on the common stock totalled $1.95, compared to $2.17 in the previous year. As dividend requirements amount to only $1.50 a share, the company was able to carry forward a surplus of $1,298,758 to profit and loss account.

Features of Report

Features of the report for 1932 may be summarized as follows:

Gross earnings off $627,710 to $24,783,066;

Net earnings decline $1,014,391 to $8,752,530;

Assets increased by $15,696,519 to $172,701,942;

Bonds and stocks of subsidiary and other corporations are higher by $14,055,852 at $147,326,970;

Holdings of Dominion and Provincial bonds advanced by $8,865,377 to $20,721,411;

Cash and call loans are down $6,902,206 to $2,309,361;

Retired $6,357,000 of Montreal Light, Heat and Power Co. bonds without refinancing;

Exchanged $6,483,500 of own bonds for like amount of Montreal Island Power Co. bonds;

Retired $485,000 of various subsidiary's bonds; and;

Issued $23,227,150 of debentures to customers who subscribed for stock in July, 1930, and made last payment in July, 1932.

Surplus Carried Forward

The income account shows gross revenues of $24,783,066 as against $25,410,776 in the previous year. Operating expenses were reduced, but taxes increased. Depreciation charge remained unchanged at 10 per cent of gross income. Fixed charges advanced from $3,502,295 to $4,021,933, due to the issuance of the new debentures, which were entitled to six months interest in 1932. Dividends were higher owing to the fact that stock offered to shareholders in 1930 secured a full year's dividend in 1932 as against three quarterly payments in 1931.

Details of the income account for the last three years follow:

	1932	1931	1930
	$	$	$
Gr. rev.	24,783,066	25,410,776	23,480,080
Deduct:			
Op. exp.	7,758,772	7,880,824	7,493,940
Taxes	1,771,523	1,719,657	1,559,546
Dep. res.	2,478,306	2,541,077	2,348,407
Net earn.	12,774,463	13,269,216	12,082,185
Fixed chgs.	4,021,933	3,502,295	3,138,600
Net inc.	8,752,530	9,766,921	8,943,584
Divids.	6,733,771	6,586,966	5,837,779
Yr.'s surp.	2,018,758	3,179,954	3,195,894
Less appropriations:			
Cont. fund	700,000	700,000	......
Pens. fund	20,000	20,000	20,000
xBalance	1,298,758	2,459,954	3,085,805
*Earn on stock	$1.95	$2.17	$2.19

x Transferred to capital and surplus.
* On amount of stock outstanding at close of fiscal year.

WORKING CAPITAL

	1932	1931	1930
	$	$	$
Curr. assets	25,374,972	23,734,305	36,222,009
Curr. liabilities	6,285,606	6,245,615	5,745,358
Work. cap.	19,089,366	17,488,390	30,476,651

The balance sheet generally shows a strengthening. Working capital, as outlined above, has undergone an improvement. The principal changes in balance sheet figures have been noted. In respect to the company's investments, the auditor's statement says "investments have been certified by certificates received from the depositaries or by personal inspection, and the values thereof are, in our opinion, amply protected by reserve."

Sales Are Lower

Following are the comments of the year's operations made by J. S. Norris, president and successor to Sir Herbert Holt, who recently resigned to become chairman of the board:

Consumption of gas and electricity for industrial purposes has shown marked decrease due to the business depression, which has continued with increased severity throughout the period covered by this report. Domestic consumption, on the other hand, while somewhat lower than last year, has been relatively well maintained.

Constant and effective efforts have been made by the management to reduce all classes of controllable expenses (including a reduction in remuneration paid our officials) but all our endeavors in this direction have been more than nullified by heavier tax imposts, the high cost of United States exchange and other uncontrollable expenses; while greater bad debt losses have naturally aggravated the situation.

Taxation is Heavier

The constantly increasing taxation imposed by Federal, Provincial and Municipal Governments constitutes a heavy burden upon your company and its customers. Our taxes for the year 1932 amounted to $1,771,523.30, equal to 31.3 cents per thousand cubic feet if applied to gas sales, or nearly ¾ cent per kw.h. if applied to electric lighting sales.

The discriminatory federal income tax alone will amount for the year, in round figures, to $1,000,000 and as this is an impost from which the publicly-owned utilities of some of the other provinces (notably Ontario) are exempt it imposes a serious handicap (from a competitive standpoint) upon privately-owned utilities and their customers in this province.

Restrict Capital Outlay

Capital expenditures during the year have been restricted to gas and electric extensions in new territory, except for additions (in process) to two of our modern sub-stations—La Salle and Atwater—to permit of the abandonment, with resultant economy, of three sub-stations—Terminal, Workman and Côte St. Paul.

Coke Business Grows

The operations of the Montreal Coke and Manufacturing Company (in which your company has a half interest) continue to show satisfactory results and we feel more convinced than ever that La Salle coke (the trade name of our product) due to its superiority and relative economy, will, in the course of time largely displace the imported fuels now in use for domestic purposes in this locality.

Policy on Rates

Our policy of periodic reductions in rates has unfortunately been halted by the retardation of business and the heavily increased taxation imposed upon us but as soon as there is a revival in business, or if we are relieved of some of our tax burden, we will resume this policy for the benefit of both customers and shareholders.

Power Corp. Earnings Decline to Lower Level

From Our Own Correspondent

MONTREAL.—Interim figures on Power Corp. of Canada's income for the first half of the current fiscal year ended December 31 last indicated that net income barely covered dividends on the first and second preferred stock.

Gross earnings during the half year totalled $794,000. This compares with $1,048,000 for the same period of 1931. Operating expenses amounted to $163,000 as against a comparative figure of $211,000. The company states that additional operating economies are expected during the last half of the year.

Net Off $206,000

Net earnings for the past six months totalled $631,000, a decline of $206,000 from the $837,000 reported for the first half of the 1932 fiscal year. The decrease in net earnings is said to be due to a reduction in engineering fees and in interest and dividends on securities held by the company. During the period adjustments in investments were made involving a loss on the sale of securities of $87,000.

Power Corp. continues the policy of retiring its debentures as occasion offers and for the first half of the current fiscal year redeemed $269,000, which brings the total of retirements of the 4½ and 5 per cent debentures up to $1,053,000.

In analyzing the distribution of net earnings the company states that interest on the debentures for the six months period amounted to $276,000, as against a corresponding figure of $304,000 in the first half of 1931-32. This brings the balance of net earnings down to $355,000 compared with $533,000 a year ago.

Other Charges Present

No reference is made to interest charges on bank loans and notes payable to affiliated companies. The balance sheet at June 30, 1932, showed bank loans of $828,562 and notes payable of $685,449. The notes were retired prior to Oct. 15, 1932.

Carrying charges on these two obligations would likely bring the amount available for dividends to a figure approximating $300,000, which is the sum required to pay the half yearly dividends on the first and second preferred stock.

No dividends have been paid on the common stock since May 20, 1932.

City Gas Plans to Widen Scope of Operations

From Our Own Correspondent

MONTREAL. — City Gas and Electric Corp., owning and operating a gas plant and distribution system in Three Rivers, is negotiating for acquisition of another utility company, whose identity has not yet been disclosed. It is understood that plans are well advanced and some definite announcement will likely be made within the course of the next month. Acquisition of this new system is expected to add considerably to assets and earnings of City Gas, according to the management.

This move follows closely on the company's absorption of Yamaska Power Corp. which is now effective. The latter distributes electrical energy in several countries on the south shore of the St. Lawrence River almost opposite the City of Three Rivers; its system comprises some 45 miles of distribution lines.

City Gas and Electric Corp. was formed about 18 months ago; authorized capital structure comprises $250,000 of 6½ per cent bonds; $1,000,000 of 7 per cent preferred and 100,000 shares of no par common stock.

Industrial Expansion in Halifax

During the fiscal year which ended September 30, 1932, new industrial and mercantile companies to the number of 122 were registered at the office of the Provincial Secretary-Treasurer in Halifax. The number for the previous year was 144. The total share capitalization of new companies in the 1932 fiscal year was $2,560,875 as compared with $7,557,250 in the previous year.

Public Utility Earnings

Jamaica Public Service

	1932	1931
	$	$
December:		
Gross earnings	77,759	77,849
Net earnings	40,140	34,964
Surplus after charges	30,846	25,593
12 Months end. Dec. 31:		
Gross earnings	790,917	829,598
Net earnings	325,668	336,273
Surplus after charges	213,930	227,338

Brazilian Traction

	1932	1931	Decrease
December	$	$	$
Gross earn.	2,231,711	2,422,182	190,471
Oper. exp.	1,052,620	1,073,311	20,691
Net. earn.	1,179,091	1,348,871	169,780
Aggreg. gr. from Jan. 1	29,358,420	34,896,767	5,538,347
Aggreg. net from Jan. 1	16,789,333	20,910,417	4,121,084

The operating results as shown in dollars are taken at average rates of exchange. They have been approximated as closely as possible, but will be subject to final adjustment when the annual accounts are made up.

Owing to exchange and remittance difficulties the rate of exchange adopted for the month is necessarily arbitrary although less than the official rate which is nominal only.

Barcelona Traction

	1932	1931	Increase
December	Pesetas	Pesetas	Pesetas
Gr. earn.	10,418,958	9,793,405	625,553
Op. exp.	3,434,238	3,154,848	279,390
Net earn.	6,984,720	6,638,557	346,163
Aggre. gr. fr. Jan. 1	111,301,962	107,291,991	4,009,971
Aggre. net fr. Jan. 1	73,692,376	70,554,103	3,138,273

Power Corporation

Six Mos. end. Dec. 31	1932	1931	Decrease
	$	$	$
Gross earn. ..	794,000	1,048,000	254,000
Oper. exp. ...	163,000	211,000	48,000
Net earn.	631,000	837,000	206,000

Jamaica Public Service

	1932	1931
December:		
Gross earnings	$77,759	$77,849
Net earnings	40,140	34,964
Surplus after chgs. ...	30,846	25,593
12 Mos. end. Dec. 31:		
Gross earnings	$790,917	$829,598
Net earnings	325,668	336,273
Surplus after chgs. ...	213,930	227,338

Railway Earnings

Canadian Pacific Railway

	1932	1931	Decrease
Dec.:	$	$	$
Gross ...	9,701,199	11,751,227	2,050,027
Exp.	7,390,450	8,160,665	770,214
Net	2,310,749	3,590,562	1,279,813
12 Months:			
Gross ...	123,936,712	147,846,118	23,909,405
Exp.	103,846,729	122,421,352	18,574,624
Net	20,089,984	25,424,766	5,334,781

NEW OFFERINGS in 1932

and their subsequent market action

PRICES of high-grade Canadian bonds continue to show consistent improvement . . . evidence that investment confidence is being restored. The present trend is towards lower interest yields, and this trend, we believe, will shortly become even more apparent in sound Corporation and Utility issues.

During 1932, Nesbitt, Thomson & Company Limited were associated in the distribution among Canadian investors of the following Dominion and Provincial Government, and Municipal issues:—

			Issue Price	Price Jan. 26, 1933
Dominion of Canada	4%	1935	$99.20	$100.25
Dominion of Canada	4%	1952	93.45	93.00
Prov. of Alberta......	6%	1947	95.25	99.75
Prov. British Columbia	6%	1947	95.25	99.75
Prov. of Manitoba...	6%	1947	95.25	99.75
Prov. of Manitoba...	5½%	1955	96.75	96.00
Prov. New Brunswick	5½%	1950	95.60	104.00
Prov. New Brunswick	5½%	1952	97.00	104.00
Prov. of Nova Scotia.	5½%	1934	100.00	101.50
Prov. of Ontario....	5½%	1946	97.00	108.25
Prov. of Ontario....	5½%	1947	96.00	108.25
Prov. of Ontario....	6%	1935	100.00	103.75
Prov. Saskatchewan.	6%	1952	94.45	96.25
Prov. Saskatchewan.	5½%	1952	96.48	91.75
City of Montreal....	6%	1935	100.00	103.75
City of Montreal....	6%	1940	100.00	107.00
City of Montreal....	6%	1941	100.00	108.25
City of Montreal....	6%	1944	100.00	109.25
City of Quebec......	6%	1939	100.00	106.75
Montreal Catholic School Commission	6%	1937	100.00	103.75
Montreal Protestant Central School Board	6%	1937	100.00	103.75

We invite enquiries, and shall be pleased to submit offerings or to furnish investment information upon request.

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Quebec Ottawa Toronto Hamilton London, Ont.
Winnipeg Saskatoon Calgary Victoria Vancouver

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Chief Rail Plans Urge Consolidation

Significant That Since 1921 All Leading Proposals for Railway Problem's Solution Aver Competition Not Necessary

By F. S. C.

Canada has had a great deal of railway advice from its public men, some directly interested in railways and others completely detached in viewpoint. In the light of the historical record it is fair to say that we have ignored much of the good advice we have had and accepted much of the worst advice. On such a note did these articles open; on such a note do they close.

In the first ten articles in this series on the Duff Commission report the chief points brought out in the investigations undertaken by the Royal Commission on Railways and Transportation have been summarized and discussed.

In this, the final article, it is desired to summarize some of the most interesting suggestions that have been made in recent years regarding the solution of Canada's railway problem.

Drayton-Acworth Recommendations

In 1917 the Drayton-Acworth Commission brought out a report providing some recommendations for handling the serious situation which had been created by the outbreak of war just when the Grand Trunk Pacific and the Canadian Northern Railways were in the midst of their great western expansion programme. That commission made many recommendations.

They told Canadians that they had too many miles of railway. The Canadian public continued to build railways.

They recommended that the Grand Trunk Pacific and the Grand Trunk be bought by the people of Canada. This was done.

They recommended that the Canadian Northern also be bought and they pointed out that its common stock had no value. The government bought the Canadian Northern but paid $10,000,000 for the common stock.

They argued against direct government ownership and operation and recommended the appointment of a non-political company to run the government railways. The government did form a theoretically non-political company to run the railways, but it was found impossible to manage them without political influences coming into play.

Opposed Transfer to C. P. R.

The commission recommended against transferring the government railway to the Canadian Pacific.

As a result of the Drayton-Acworth Commission the Canadian National Railways, embracing all the government lines, the Canadian Northern lines and the Grand Trunk and Grand Trunk Pacific lines, was formed.

In a minority report, A. H. Smith, president of the New York Central Railway, definitely opposed government ownership of these railways. He urged that the Canadian Pacific be left alone, that the Grand Trunk be asked to operate the eastern lines of that company and of the Canadian Northern; that the Canadian Northern be asked to operate the western lines of that company and of the Grand Trunk Pacific. The only lines the government would take over would be the necessary connecting links that might not seem to fit into either of the other two schemes. He urged that the country not rush into any railway scheme in the midst of war and stress, as he felt that under a policy of proper regulation and co-operation of effort the railways of Canada might become self-supporting within a reasonable period, and the whole problem be solved.

Mr. Smith's report, of course, never received any considerable attention, although it provided a solution for the railway problem of that period which was worthy of study and might indeed have prevented the development of the present situation.

Baron Shaughnessy's Proposal

In 1921, Lord Shaughnessy, then chairman of the board of the C. P. R., wrote to Prime Minister Arthur Meighen, outlining a proposal which he declared was his own and not that of the board of directors of the C. P. R. His plan was that the railway properties of the Canadian Pacific system would be added to the government system to create one company. The government would guarantee the shareholders of the C. P. R. a fixed annual dividend on the capital to be supplemented on a profit-sharing basis.

As political management was impossible and ruinous, it was proposed that the existing C. P. R. management be utilized under the terms of a contract, approaching perpetuity in the situation, to administrate and operate the whole property for the account of the Canadian people. Business men gave considerable support to the proposal, but it was generally regarded by the public, who were then less interested in railways than they are today, as interesting and stimulating, but impracticable.

Senate Also Proposes Amalgamation

By 1925, Sir Henry Thornton was getting into his stride on the Canadian National Railways and was beginning to spend money on many new improvements, that gave the public the impression that the railway problem had been solved and that prosperity was not only just around the corner, but was on every station platform in Canada. But more sober minds realized that the operating deficits were enormous and that consolidation of the different government lines was providing no real remedy for the problem. The Senate Railway Committee in 1925 reported in favor of amalgamation of the two systems of railways. Their proposal provided for a merger for purposes of administration and operation. Both the C. N. R. and the C. P. R. were to be placed under the management of a board of 15 directors, five to be named by the C. P. R., five to be named by the government, and these ten to choose five proven, capable business men to complete the board. The C. P. R. would be given a guaranteed dividend on its stock and earnings would be shared pro rata on a basis of valuation, after a certain dividend had been paid to the government on the basis of a reasonable capitalization of the government railways.

Had the public of 1925 been in the temper of the public of 1933 the proposal might have been acted on, but the scheme was at that time considered another product of the hard-shelled, capitalism-loving men of wealth sitting on the red benches, and it received little public support.

Duff Commission Tackles Problem

The next major attempt to find a way out of the railway morass came with the appointment of the Duff Commission. Before the Duff Commission a number of interesting recommendations were made.

There was the plan of Sir Henry Thornton, providing for separate operation of the C. P. R. and the C. N. R., but the subjection of both railroads to the authority of a super-riding governmental commission that would order them about and tell them where they could spend money and how, and that would in effect enforce co-operation in the interest of economical operation. This is, roughly speaking, the recommendation that the Duff Commission finally made.

Gerard Ruel, former vice-president of the Canadian National Railways, came before the Commission, recommended against continuation of political operation and proposed a plan for the lease of both railway systems to a management company which would operate them on the most economical basis over a term of years at the end of which time the two lines would be unscrambled and handed back to the original owners, supposedly much more efficient and probably stripped of their excess trackage, etc. To make this thoroughly fair to the C. P. R. it was proposed that a guaranteed dividend be paid the C. P. R. shareholders.

And finally, there was the plan of Mr. Beatty, chairman and president of the C. P. R., which is now the one most prominently before the Canadian public. Mr. Beatty's plan was simply that the Canadian National Railways be leased to the Canadian Pacific Railway over a term of years which would provide an opportunity for the proven efficiency of the C. P. R. management to be applied to the Canadian National Railways. Obviously, there would be a great elimination of duplications in addition to an increase in efficiency and in the long run, it was expected that savings of $64,000,000 a year at the end of five years and ultimately of $75,000,000 could be effected. Mr. Beatty speaks of his plan as unification rather than as of amalgamation.

There have been mentioned above practically all of the important solutions that have been offered, after careful thought, by public men or commissions in Canada since the war and that have brought Canada to a realization of its over-expansion in railway development and its carefree use of Canadian credit to finance that expansion.

Amalgamated Operation Keynote of All

It is not without significance that all of the major proposals from 1921 to date provide either for unification, amalgamation or co-operation between the C. P. R. and the C. N. R. Canadians are losing their faith in competition between railways as a stimulus to efficiency. They are beginning to wonder if railway operation is not something like the operation of a water works system, a local light and power system, a telephone system, etc., where competition is merely a nuisance and a barrier to efficiency.

Despite the long and arduous work of the Duff Commission, its recommendations do not hold the centre of the stage in Canada. Mr. Beatty has taken control of the fight and the issue is joined on whether or not his proposals shall be adopted in full or in part.

Before 1933 has passed, Canada may have cast the die in favor of one great national system under efficient private administration. The move, when taken need not necessarily represent the final determination of Canadian railway policy. It may indeed merely be the necessary intermediate step of 10, 15 or 20 years' duration to ultimate re-establishment of two competitive, privately-owned lines, if time and experience decides that the country needs more than one railway system.

This is the last of a series of articles which have set out some of the major points brought out in the Duff Commission report on railways and transportation in Canada.

Apple Exports Increase in Value

Exports of Canadian fresh apples to thirty-two countries of the world in 1932 amounted to the equivalent of 1,569,384 barrels valued at $6,421,992. In the preceding year apple exports amounted to 1,594,221 barrels valued at $6,320,766. A large portion of the 1932 exports were packed in boxes containing the equivalent of one-third of a barrel and in half-barrels which have proved more popular on the British market than the full barrel size.

MARITIME TEL. REPORTS LOSS TOLL TRAFFIC

Business Handled in 1932 Registers Further Recession

From Our Own Correspondent

MONTREAL. — Local and toll traffic on the lines of the Maritime Telegraph and Telephone Co. recorded a decline in 1932 as compared with the previous year. It is officially stated that local traffic was 3.9 per cent less in 1932, while toll traffic declined 11.7 per cent.

The total number of toll calls last year, with December returns estimated, was 1,286,200, or approximately 170,600 below the previous year. District No. 1 reported a decline of 4.5 per cent; district No. 2, 20.0 per cent; district No. 3, 13.1 per cent; and district No. 4, 13.1 per cent.

Prince Edward Island, whose system is operated by a subsidiary of Maritime Telegraph, reported a total of 165,765 calls for 1932, a decrease of 48,147 calls or 22.5 per cent below the total of the previous year.

The work of the toll staff in completing toll traffic showed an improvement for 1932, the percentage of completion being 94.2 per cent as against 93.3 per cent in the previous year.

Various extensions and improvement to equipment were carried out by the company during the year. Two new sections of toll board and improved local trunking facilities were installed at the Lorne Exchange in Halifax; two new sections of toll board at Kentville; complete new local and toll manual systems at Liverpool and Yarmouth; a dial-operated office with toll sections at Lunenburg; and improved small type switchboards at Baddeck, St. Peters and Mount Stewart, P.E.I.

A number of other exchanges were provided with additional line facilities and other needed equipment.

The toll line programme was not extensive in 1932, but additional facilities were placed between Halifax and Liverpool, a teletype circuit from Halifax to Montreal; and terminal repeaters at the Charlottetown end of Amherst mainland circuits and a cord circuit repeater at Liverpool.

At the end of 1932 Maritime Telegraph and Telephone had 39,040 stations installed. This compares with 40,835 at the close of 1931, a decline of 1,795 stations or 4.1 per cent. The Island Telephone Co., a subsidiary operating on P.E.I., reported 5,602 stations at the end of 1932, compared with 5,623 at the end of November. Connecting companies had installed 6,591 stations at the end of 1932, a gain of 30 over the number reported at the end of the previous month.

Financial returns will not be available until the annual meeting. During 1931 the company had a total income of $1,868,430. After deducting expenses and depreciation, net earnings equalled $444,898. This was sufficient to cover bond and other interest 2.28 times. After taking care of dividends on the preferred stock, the balance was equivalent to 4.09 on the common stock compared with dividends of 8 per cent.

WPG. ELECTRIC CONTINUES FIGHT ON TRAM RELIEF

Curtailled Service is Seen if City Does Not Change Stand

From Our Own Correspondent

MONTREAL.—Winnipeg Electric Co. continues its agitation for lightening of the various charges imposed on the tramways and with equal insistence the city refuses to permit any changes in the terms of the franchise granted in 1892.

If relief is not granted, the company states that transportation services will of necessity be drastically curtailed and complete disintegration inevitably follow. The city counters this assertion by saying that the company clings to the rights and benefits of its contracts, but strives to be relieved of its obligations.

The company seeks relief from the following charges: 5 per cent of its gross earnings; paving costs and snow removal expense. These four charges cost the company $389,765 during 1931.

In the early part of 1931 Winnipeg Electric applied to the legislature for relief. The legislature referred the matter to the public utility board, asking for recommendations to ensure a solution of the transportation problem. In hearings before the board, the company set out its position, showing net losses in the last five years of approximately $3,000,000 despite various economies in operation and wage reductions.

The company claimed proper service was impossible unless relief was given and that provision of proper local transportation was a definite responsibility first of the city and failing it, of the Manitoba Government.

In support of its application Winnipeg Electric said that the five per cent gross earnings tax was based on monopoly rights, which no longer existed, that paving maintenance and snow removal charges are no longer equitable in view of changed conditions, that as the company's earnings are also subject to regulation in good times, the tax burdens should also be subject to regulation.

The city questioned the losses of the tramways, saying that profits were made on lines operated within the city and that losses occurred on services outside of its boundaries. The company replies by stating that in 1931 the street railway lost $463,289 in the single fare zone, of which $389,069 was in the corporate limits of the city.

Bonds

Write for our latest Monthly Review and Bond List.

To those who are interested in bonds and financial events, we shall be pleased to forward upon request our monthly Review and Bond List. This includes offerings of Canadian government and municipal bonds, and also a review of events affecting financial markets.

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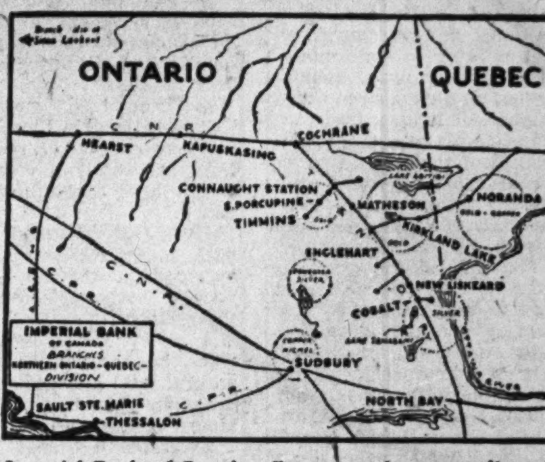

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News of Investment Markets

LONDON SELLS CANADIAN BONDS; PRICES WEAKEN

Canadian Dollar Softens in All Leading Currencies

B. C. ISSUE OUT

Province Has Made Good Progress in Achieving Balanced Budget — Cuts Deficit

Canadian high grade bond prices dropped sharply on January 30, the first important reaction since early in December, 1932. Selling of Canadian bonds, stocks and exchange by London is believed to be the primary reason by investment bankers and the reason for London selling is an increasing fear that Canada will embark on a definite policy of inflation. The good effect on foreign investors of Mr. Bennett's declaration that Canada must meet its foreign obligations has been off-set by subsequent statements regarding the serious situation of the railways.

Canadian exchange in terms of United States funds, sterling and other principal currencies has shown marked weakness and Canadian bonds payable in New York have dropped off in price. The change in price on some principle issues during the week ended January 31 was as follows:

	Jan. 31 Bid	Jan. 31 Ask	Jan. 24 Bid	Jan. 24 Ask
Prem. on N. Y. funds	18½	19	14¾	15¼
	Bid		Bid	
Dominion 4½'s, 1946 ...	99		100¼	
Dominion 4½'s, 1949-59	98⅛		99¾	
C.N.R. 5's, 1969	103¾		105¾	
C.N.R. 4½'s, 1951	98¼		99¾	
Ontario 4½'s, 1944	101		103	
Alberta 4½'s, 1956	82		83	

*Payable in New York funds.

Offering on January 31 of $4,000,000 British Columbia 5½ per cent bonds due February 1, 1945, by a large syndicate of Canadian banks and investment houses is the first important test this year of the Canadian market for new issues notwithstanding the fact that Quebec and Ontario have already floated loans. Offered publicly at 95½ to yield 6 per cent initial reports indicate that the B.C. issue is selling rather slowly and that it may take several days or more to place the issue. Where recent issues have been underwritten by comparatively small syndicates the British Columbia issue is being sold on an option basis.

Shows Improvement

British Columbia has shown marked improvement in the current fiscal year in operating results, an improvement which may reach $3,500,000. Provincial expenditures are being substantially reduced, various new forms of taxation have been put into force. The Kidd Commission has placed the spotlight of public opinion on the provincial budget. It is expected that in the current year the province will show an approximate balance between revenues and expenditures if sinking fund provisions and relief expenditures are not included. British Columbia is notable as the only Canadian province to provide a full sinking fund for all its long term debenture debt and appropriations for sinking fund purposes have been responsible for a substantial amount of past deficits.

Successful sale of the British Columbia bonds will open the way for other provincial borrowers and the successful termination of the offering is therefore regarded as being extremely important.

BARCELONA SHOWS BETTER EARNINGS

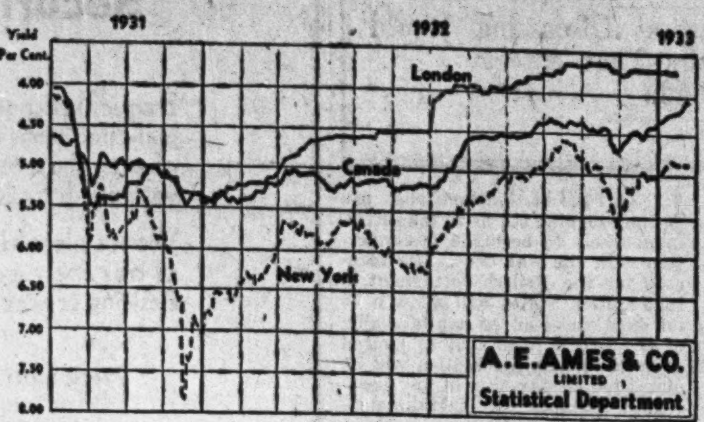
Exchange Factor May Offset Improved Operating Statement

Barcelona Traction, Light & Power Co. ended its fiscal year on December 31 with gross earnings 3.74 per cent above gross earnings in 1931 and net earnings 4.45 per cent higher than in 1931. Since monthly earnings are stated in pesetas the actual increase shown in operating revenue and operating profit may turn to a reduction in earnings stated in Canadian dollars due to fluctuation in exchange rates. Thus in 1931 when net profit from operation was in pesetas was practically identical with 1930 results revenue of the company in terms of Canadian dollars was down to $3,228,074 in Canadian dollars from the $4,596,951 shown in 1930.

Charges on funded debt are payable in sterling, in Canadian funds and in francs in Paris and Brussels. With head office in Canada, certain administration charges are payable in Canadian funds. The fact that the peseta is at a discount in terms of the currencies of all of the countries where Barcelona Traction has commitments more than offsets improvement in operating position. In a chart appearing in The Financial Post during December it was shown that out of 36 countries the Spanish peseta showed the greatest deviation from par of exchange on Canadian funds with the single exception of the Japanese yen. Late in November, 1932, the peseta was at a discount of 50.9 per cent of par in Canadian funds.

Gross earnings of Barcelona Traction during 1932, in pesetas, have shown an increase in every month except two when comparison is made with earnings in the corresponding months of 1931. Net earnings have been ahead in every month except July.

Canadian Bond Yields in Three Markets



Daily fluctuations of interest yields of Dominion of Canada bonds payable in pounds sterling in London, in United States dollars in New York and in Canadian funds in Canada, September, 1931, to January, 1933. Chart prepared by A. E. Ames & Co.

Jamaica Service Benefits By Regulation of Buses

From Our Own Correspondent

MONTREAL.—Regulation of bus transportation in the district served by tramways of Jamaica Public Service Co. has been largely responsible for the improved showing made by the company in recent monthly earnings reports. Sales of electrical energy showed upswings but benefits were offset by the tramways division which suffered substantially from uncontrolled bus competition.

The more orderly situation prevailing in transportation is reflected in earnings of the company. Decreases recorded early in 1932 gradually diminished, flattened out, and were changed to increases in the latter months of the year. In December, gross was down marginally and net was up 14 per cent. Surplus after charges showed a gain of 20 per cent in comparison with December, 1931.

For the 12 months of 1932 gains came too late to allow an improved showing. Gross, however, was only down 4 per cent; net showed a decline of 3 per cent and surplus after charges was lower by 6 per cent in comparison with the previous year. The latter was $213,930 compared with $227,338 in 1931. These figures are reckoned in sterling at par so the ultimate returns of the parent company in Canada, Jamaica Public Service Ltd., may be affected by exchange rates.

In 1931 earnings of the latter were equal to $1.81 a share on the 45,000 shares of capital stock outstanding. A dividend at the annual rate of $1 a share has been maintained regularly.

DAVID ET FRERE REPORTS PROFIT BEFORE CHARGES

Investment Account Falls to Low Levels — No Bank Loans

From Our Own Correspondent

MONTREAL. — Some improvement in earnings is revealed in the 1932 financial statement of David et Frère, biscuit manufacturers; operations resulting in a profit of $15,687 compared with a loss of $13,156 in the previous year. After provision of $32,423 for depreciation, which included $2,111 capital loss on building demolition, there remained a deficit of $16,735.

No dividends were paid during the year and surplus was reduced to $54,265. In the previous period $37,490, or $1.63 a share, was distributed on the "A" stock resulting in a total deficit of $80,792. While $8,419 was provided for income tax from 1931 surplus no such item is indicated in the last report.

Profit and Loss Figures

Following is a comparison of profit and loss for the past two years:

	1932	1931
	$	$
Oper. profit	15,687	*13,156
Depreciation	†32,423	30,145
Balance	*16,735	*43,302
Cl. A divids.	......	37,490
Balance	*16,735	*80,792
Income tax	......	8,419
Surplus	*16,735	*89,211
Prev. bal.	71,001	160,212
P. & L. bal.	54,265	71,001

*Debit balance.
†Including $2,111 capital loss, demolition of building.

Working Capital:

	1932	1931
	$	$
Current assets	179,347	182,003
Curr. liabilities	40,763	45,683
Working capital	138,584	136,320

Investments Are Reduced

Further reduction in value of investments and elimination of $30,000 of bank loans are features of the balance sheet. Investments are now carried at $5,852 compared with $33,531 in the previous year, while in 1929 this item comprising government and municipal bonds, totalled $85,400. Notes receivable of $2,048 make their first appearance. Accounts receivable are higher by $16,000 at $116,737 and inventories are up $2,000 at $46.588.

Though bank loans of $30,000 have been eliminated in liabilities accounts payable of $40,763 show an increase of $25,000 over the previous year.

Loblaw Sales, Profits, Reach Seasonal Peak

For the fifth successive period sales of Loblaw Groceterias Ltd. show an increase over the sales of the previous period with sales of $1,207,341 reported for the four weeks ended January 7. Profit, at $91,502, is substantially higher than in any other period in the current fiscal year. In the period ended January 7, however, sales were 5.98 per cent under sales in the corresponding period a year ago and profit was 8.1 per cent lower.

Sales of the company in the first 32 weeks of the current fiscal year were $8,705,373, a drop of 6.83 per cent from the same period of the previous year. Profits at $533,170 show a drop of 12.38 per cent.

ROLLAND PAPER COVERS PREFERRED BY SMALL MARGIN

Cash Position Strengthened — Increase Shown in Investments

From Our Own Correspondent

MONTREAL. — Financial statement of Rolland Paper Co. for 1932 indicates that the company was able to maintain its position despite difficulties encountered by the fine paper industry last year. Earnings, though lower, were sufficient to cover all charges including preferred dividends and leave $983 to be added to surplus. Balance sheet shows an improvement in working capital and a substantial addition to investment securities.

Net earnings were $323,764 compared with $346,876 in the previous year. After payment of bond interest and unchanged provision for depreciation and proportion of organization expense there remained net profit of $90,983 against preferred dividends of $90,000 or $6.05 a share compared with $7.51 a share on the preferred in 1931.

Covers Preferred Needs

Following is a comparison of profit and loss for the past two years:

	1932	1931
	$	$
Net earnings	323,764	346,876
Less: Bond int. & exp.	146,781	148,206
Depreciation	84,000	84,000
Organ. exp. w/o ..	2,000	2,000
Net profit	90,983	112,670
Less: Pref. divids. ..	90,000	90,000
Surplus for year	983	22,670
Add prev. surp.	312,204	*289,534
Bal. forward	313,187	312,204

*Adjusted.

Working Capital:

	1932	1931
Current assets	1,187,106	1,149,499
Curr. liabilities	115,907	129,168
Net working capital .	1,071,199	1,020,331

Cash Position Strengthened

Noteworthy in the balance sheet is a gain in cash and investments. Cash totals $173,616 an increase of $65,000 and investment securities are carried at $282,073 compared with $175,317 in the previous year. It is pointed out that market value of investment securities at the end of 1932 was $263,589 a figure which included $192,500 of Dominion government and government guaranteed bonds.

Accounts receivable, less reserve, are down $13,000 at $194,137 and inventories have been lowered by $120,000 to $537,280. Sundry investments, including $42,500 of company's own bonds are lower by $42,000 at $43,300 and fixed assets are carried at $4,708,611. an increase of $14,000.

In liabilities operation of the sinking fund is reflected in redemption of $55,500 of 5½ per cent first mortgage bonds leaving $2,394,500 outstanding. Accounts payable and other current liabilities are lower by $14,000 at $115,907.

Quebec Pulp and Paper Transfer Mill Properties

From Our Own Correspondent

MONTREAL.—The Chicoutimi pulp mills of the Quebec Pulp and Paper Corp. have been sold to the Chicoutimi Mills Ltd., a wholly-owned subsidiary for a nominal price of $500,000. This is understood to be part of a readjustment scheme which Quebec Pulp and Paper has under way since the closing down of all its plants.

Control of Quebec Pulp and Paper is jointly held by Price Bros. and Co. and Port Alfred Pulp and Paper (Consolidated Paper).

Summary of Week's Annual Reports

A brief analysis of company earnings per annual statements received since last week's issue. Company name in bold type indicates stocks listed in Canada or New York. Net income shown is before preferred dividend, if any. Market prices are at close on Tuesday this week or last sale.

Company	Year End	Net Income 1932	Net Income 1931	Common earnings 1932	Common earnings 1931	Curr. divid.	Balance car. fwd. 1932	Balance car. fwd. 1931	Mkt.	Mkt. times earn.	Yield
		$	$	$	$	$	$	$			%
National Biscuit	Dec. 31	17,104,124	19,739,491	...	2.86	2.80	23,422,401	25,664,528	...	...	...
Capital Trust	Dec. 31	47,076	69,253	5.37	8.50	4	45,898	56,150	...	...	...
Geo. Weston Ltd.	Dec. 31	121,928	138,116	1.09	1.46	1	285,224	282,085	18	16½	5.5
Montreal L. H. & Power	Dec. 31	8,752,530	9,766,921	1.95	2.17	1.50	2,018,758	3,179,954	28¼	14½	5.2
Rolland Paper	Dec. 31	90,985	112,670	.02	0.38	...	313,187	312,204	...	...	...
David et Frere	Dec. 31	*16,735	*43,302	...	...	...	54,265	71,001	...	...	...

*Deficit.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES PROVINCIAL AND DOMINION GOVERNMENTS

Provincial—	Date Sold	Offered by	Rate	Due	Amount	Price	Yield
British Columbia	Jan. 30 ...	A. E. Ames & Co. and syndicate	5½%	1945	$4,000,000	*95.50	6%
County of Brant	Jan. 30 ...	Harrison & Co.	5%	10-ins.	150,000	100.13	4.97%

*Offering price.

PLAN UNDER WAY ON BEAUHARNOIS RUMOR STATES

Propose Debenture Holders Would Subscribe to First Mortgage Bonds

Negotiations with the Dominion Government with regard to Beauharnois Power Corp. have been undertaken in recent weeks according to street rumors and a fair demand for the debentures is reported. Price of the debentures has moved from 23½ at the end of December to a high of 40 and is currently at 35.

Rumor places one plan proposed as including the issue of $9,000,000 of first mortgage bonds to present debenture holders on the basis of $300 of first mortgage bonds for each $1,000 debenture held with debenture holders receiving scrip in lieu of interest on debentures up to 1938, such scrip to have a minimum market value of 60 per cent. First mortgage bondholders would receive a majority of the new common shares of the company. In some quarters it is believed that an announcement will be made in the near future. The $9,000,000 secured from sale of the first mortgage bonds would be sufficient to finance the company for several years.

A bulletin issued by Collins, King & Co. based on estimates presented to the bondholders' meeting held in June, 1932, indicates that advances to the company will reach a peak of $31,430,679 at January 1, 1937, and since $22,417,500 has already been advanced there remains only $9,013,179 yet to be obtained. If first mortgage bonds are accepted in payment of present advances it is felt that the collateral trust bondholders would readily subscribe to the first mortgage security in order to complete financing at once. If interest charges on the collateral trust bonds were to be paid from October 1, 1933, not more than $14,750,000 over present advances would be necessary to pay interest and complete construction.

CURRENT ACTIVITY OF CAN. COTTONS STILL RESTRICTED

Earnings Expected to Fall Short of Requirements on Preferred

From Our Own Correspondent

MONTREAL. — Mills of Canadian Cottons Ltd. are operating at approximately 60 per cent of capacity and activity at the present time is showing little tendency to improve in comparison with last year. Sales during the current fiscal period which will end March 30 have been on a par with the previous year and it is not expected that earnings will reveal an appreciable betterment.

On this basis it is not likely that net profit will be sufficient to cover dividend requirements on the preferred stock. In the year ended March 31, 1932, net profit was $157,206 and after provision of $31,796 for bad debts there remained a sum equal to $3.43 a share on the $3,661,500 of 6 per cent preferred on which dividends have been maintained to date.

Preferred Not Earned

The preferred disbursement has not been earned fully since 1929 and encroachments into surplus have lowered it to $2,020,200, a reduction of $533,752 in the past three years. Common dividends were suspended in 1930.

Despite the decline in earnings in recent years profits have been sufficient to cover bond interest requirements on the $3,906,140 of 5 per cent first and refunding mortgage bonds outstanding at the end of the last fiscal year.

NATIONAL BISCUIT COMMON EARNS $2.44

Shows Strong Working Capital Position With High Proportion of Cash

Earnings of National Biscuit Co. had earnings of $23,073,463 in 1932 as compared with $25,741,254 in 1931 and after provision for depreciation, taxes and preferred dividends earned $2.44 per share on the 6,289,263 common shares outstanding as against $2.86 per share in 1931. After paying dividends of $2.80 per share on the common stock surplus carried forward was reduced to $23,422,401 from $25,664,528.

The National Biscuit Co. operates several plants in Canada having acquired Christie, Brown Co. in 1928, National Biscuit Co. (Canada) Ltd. in 1927 and the Shredded Wheat Co. in 1928.

The consolidated balance sheet of the parent company shows current assets of $43,908,944 of which $17,207,325 is in cash; $1,011,102 in U. S. bonds and $12,313,375 in municipal bonds at cost. Marketable stocks and securities are carried at $1,629,562; accounts receivable at $3,232,257 and inventories at $8,515,323. Current liabilities total $8,114,665 of which $870,956 is in accounts payable, $2,841,225 is in reserve for income taxes and the remainder is in common dividends payable.

Fixed assets are carried at $93,228,190 which is cost, less depreciation. Insurance and contingent reserves amount to $8,160,924 and bonds payable to $86,000. There is outstanding $24,804,500 of $100 par value preferred stock. Common shares are carried at $62,892,630, earned surplus at $23,422,402 and capital surplus at $9,757,014.

Income and surplus account of the company is as follows:

CONS. INCOME & SURPLUS ACCOUNT
Years Ended Dec. 31

	1932	1931
	$	$
Earnings for year ...	23,073,463	25,741,254
Less: Deprec.	3,201,059	3,228,572
Reserve for taxes ..	2,768,280	2,773,191
Net profit	17,104,124	19,739,491
Less appropriations:		
Pref. dividends	1,736,315	1,736,315
Com. dividends ...	17,609,936	17,601,467
Earned surp. for year	*2,242,127	401,709
Add: Prev. surplus .	25,664,528	25,262,819
Bal. carried forward.	23,422,401	25,664,528

*Deficit.

Metal Prices

New York—January 31—
Copper: Electrolytic spot, 5c. lb.
London—January 31—
(Long Ton)—
Copper: Electrolytic spot, £32 15s; future, £33.
Standard spot, £28 12s 6d; future £28 17s.
Tin: Spot, £149 10s; future, £150.
Lead: Spot, £10 15s; future, £11.
Zinc: Spot, £14; future, £14 2s 6d.
Silver: 17 1-16d. per ounce.

Premier Gold Acquires Property in Australia

Following out its policy of endeavoring to perpetuate its existence as a mining enterprise, as its original property nears depletion, Premier Gold Mining Co., in conjunction with the American Smelting and Refining Co., has taken a long term lease upon the Big Bell and Little Bell groups, gold mining properties near Cue, Western Australia, which have previously been worked.

H. A. Guess, vice-president and managing director of the company in New York, told The Financial Post that at present some lateral work is being done underground, while diamond drilling is under way from the surface.

These properties cover a silicious vein about 80 feet in width and from the work so far done, appears to yield ore about four pennyweight gold per ton, equivalent to approximately $4 per ton. Work now in progress, and contemplated, is to determine whether or not the deposit justifies proceeding with its development and its equipment on a commercial basis.

At the Premier mine in the Portland Canal Mining Division of British Columbia, the gleaning of the ore from the upper levels continues to be sufficiently productive to earn the current dividend of 12 cents per share. Operations are regarded more in the light of a clean-up as the ore shoot is thought to have definitely bottomed above the sixth level and extensive development has failed to find its extension.

The principal subsidiary operation of Premier is at the old Tough-Oakes-Burnside property, the pioneer producer in the Kirkland Lake area of Ontario. Here the operating company, Toburn Gold Mines, resumed production last August, following a rehabilitation and exploration of the property. Production is proceeding with the mill treating approximately 100 tons of ore daily, showing an operating profit of approximately $6,000 per month. An announcement by the company showed that most of the ore found was west of the dyke fault some 275 feet east of the Sylvanite eastern boundary. Work in 1932, however, was productive of opening up an ore shoot about 120 feet long, on the eighth level, east of the dyke. What the potentialities of this shoot will be, or what future work will reveal is a conjecture, but the finding of the ore is regarded as encouraging.

OIL DISTRIBUTORS IN MONTREAL AREA MERGE INTERESTS

Champlain Oil Products Secures Control of Five Firms

From Our Own Correspondent

MONTREAL. — Champlain Oil Products Ltd., has been formed as a holding company for a number of petroleum companies operating in Montreal and district. The companies which have turned their stock over to the holding concern include: Automobile Owners' Association, Excel Petroleum, LaSalle Petroleum Refinery, Loyal Oil and Gas and Sylvestre Oil Co.

Each of the companies will continue to operate as a separate unit under the supervision of their present management, but with the added financial strength and purchasing power of the combined companies it is believed their operations will be improved and extended.

Consolidation and the necessary finances for the acquisition of these companies was engineered by the Chicago firm of Harry Snyder Ltd., and the new concern is stated to have no connection with any other petroleum organization in Canada or the States.

$4,000,000 Capital

The combined capital of Champlain Oil Products is said to be in the neighborhood of $4,000,000. There is no intention at the moment to carry out any public financing. The board of directors consists of the presidents of the absorbed companies, namely: Joseph Elie, J. C. E. Trudeau, J. Romeo Cauvreau, A. H. Pardis and F. R. Sylvestre. in addition to the foregoing two other French members will be added to the board. Harry Snyder is chairman of the holding company.

DRYDEN PAPER CAN CARRY ON

Bond Interest Secure Under Present Conditions, Says President

From Our Own Correspondent

MONTREAL.—With a continuance of present conditions, Dryden Paper Co. would be able to pay bond interest charges for "some years," according to a statement made at the annual meeting of the shareholders by J. H. A. Acer, president.

In a brief summary of the business Mr. Acer pointed out that the tonnage had dropped from 1,559,600 tons in 1929 to 621,000 in 1932. The decline, he said, had been brought about by the decline in business in the West, and at this point added that he did not see much hope of expansion until there was some recovery in Western conditions. Plants are at present operating from 10 to 12 days each month.

Review Trade Status

The company turned out 2,000 tons in bags during 1929, while this business had dropped to 512 tons in 1932, largely because of the diminished demand for cement. Business in flour bags had not materialized, the president said, due to the drop in prices of cotton and jute. At present prices paper bags were not a profitable substitute. Trade in pulp with the United States, which amounted to 14.380 tons in 1929, dropped to 4,335 tons in 1932. This, he said, was due to the high premium on United States founds in Norway and Sweden.

Discuss Currency Situation

The possibility of a countervailing duty in the United States on countries with depreciated currencies, Mr. Acer said, would benefit Canada, as the depreciation on this country's currency in the United States was not as heavy as that of the countries which compete against Canadian goods. With a 10 per cent basis for the duty, Mr. Acer said, Canadian pulp would pay a duty of seven per cent at today's rate of exchange, while the duty against the Scandinavian countries would be about 30 per cent at current rates. Such a development, he said, would change the Canadian pulp and paper business overnight.

Bond Sales

COUNTY OF BRANT, ONT.

Harrison & Co. has been awarded $150,000 5 per cent bonds of the County of Brant, Ont., maturing in 10 installments, at 100.13, a cost to the county of 4.97 per cent. Bids for the issue are reported as follows:

1 Harrison & Co.	100.13
2 Matthews & Co.	100.10
3 J. L. Graham & Co., C. H. Burgess & Co.	100.02
4 Canadian Bank of Commerce ..	100.00
5 Gairdner & Co.	99.52
6 Dominion Securities Corp.	99.179

Wood, Gundy & Company asked for an option at 100.

Bond Redemptions

Bond Issues—	Rate	Due	Redeem.	Price
Can. West. Nat. Gas	5%	1936	June 15	105
Toronto Conservatory of Music	*5%	....	Mar. 1	103

*$5,000.

Bond Tenders

Feb. 4. Petrolia—$25,000, 6 per cent 10-installment debentures to pay off floating debt of the town. H. W. McLean, clerk.

BRAZILIAN NET DOWN IN 1932; REBELLION HURT

If Deductions Are Same, Common Earnings Will be About 79 Cents

Brazilian Traction Light & Power net earnings for 1932 were $16,789,333 as compared with $20,910,417 for 1931, a decrease of $4,121,084 or 19.71 per cent. Gross earnings declined in the same period from $34,896,767 to $29,358,420, a decline of 15.87 per cent while expenses were down from $13,986,350 in 1931 to $12,569,087, or 10.13 per cent less.

These amounts are subject to final adjustment when the accounts are made up but represent the total of monthly earnings announced during the year. Earnings were, of course, in milreis but were reported in dollars at the average value of the milreis as computed in each month. That value of the milreis on the average in 1928 was 12.06 cents, in 1929 was 11.97 cents, in 1930 was 10.88 cents and in 1931 was 7.11 cents and in 1932 it may have been lower still although current quotations in New York are about 7.50 cents to the milreis.

These quotations, however, are not decided by the free play of supply and demand for currency as this or any other company desiring to send funds out of Brazil has to apply to the Bank of Brazil for the necessary permission. The company is understood to have had a lower average rate than in 1931. Earnings for September and October were lower because of the rebellion.

In 1931, after paying bond interest and transferring amounts to depreciation and other reserves, net profits were $9,389,103. If the company makes similar deductions for 1932 the net profits would be about $5,377,019 to look after dividends. Dividends in 1931 were $23,604 preference and $7,288,308 for ordinary dividends, including $3,916,525 for stock dividends of 2 per cent paid during the year. Amount earned was about $1.39 in 1931 and may be 79 cents a share in 1932 if write-offs continue on same scale. Actual payments were 25 cents a share in cash and 4 per cent in stock.

MELCHERS HEAD LOOKS FOR GAIN DOMESTIC SALES

From Our Own Correspondent

MONTREAL.—Reduction in the excise tax with a consequent reduction in the selling prices to the public, will stimulate sales, especially of Canadian-made products, says Victor Marchand, president of Melchers Distilleries Ltd., in his annual report to the shareholders.

Operations last year did not result in any marked improvement in earning power. On the other hand the balance sheet shows evidence of strengthening. In other years the management has made available its income account, but such is not forthcoming for 1932. During 1931 the company had a net operating profit of $495. As the balance sheet shows an increase in the earned surplus from $2,949 to $10,125, it is assumed that profits for the past year equalled $7,176.

The balance sheet at December 31, 1932, shows assets of $3,776,414 compared with $3,847,735 a year ago. The decline is mainly due to a larger amount charged against reserve set up to reduce inventories, the increase being from $37,325 to $136,079. Inventories are now carried on the books at $670,828 as against $763,497 at the end of 1931. Fixed assets are carried at $1,438,559, a nominal gain over 1931. No allowance was made for depreciation in 1931 or 1932.

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1922	639,819	3,688,338	1,282,328	5,610,486
1926	719,294	5,908,285	2,708,655	8,336,648
1930	933,690	9,138,215	5,146,249	15,218,670
1931	1,104,186	9,527,228	5,524,615	16,156,621
1932	1,106,235	10,616,503	5,510,230	17,236,530

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RAILWAYS ASK 20% REDUCTION IN WAGE RATES

Refuse to Renew Present Contract With Running Trades

From Our Own Correspondent

MONTREAL. — Canadian railways have refused the running trades an extension of the ten per cent wage reduction at present in operation after February 1 and in place have offered the men a new agreement calling for a 20 per cent reduction in the standard of wages in force before the 10 per cent cut was agreed upon, effective as from March 3 next. Engineers, firemen, conductors, trainmen, yardmen and telegraphers are concerned in the present wage negotiations.

Representatives of the Canadian Pacific Railway and the Canadian National and the railway workers have been in conference for some time discussing the present contract under which the organized workers operate. This agreement undertaken a year ago called for a 10 per cent reduction in wages for a period of one year subject to economic conditions.

It is said that representatives of the men advised the railways they were not only willing but prepared to extend the current 10 per cent deduction until the end of 1933 or other such fixed period as might be agreed upon.

Capital Trust Profits Show Drop in 1932

From Our Own Correspondent

MONTREAL.—Net profits of Capital Trust Corp. in 1932 are reported at $47,076 or 5.37 per cent on the average paid up capital during the year. This compares with profits of $69,253 in 1932 which was equal to 8.50 per cent on capital in 1931. Dividends paid totalled $40,082 and after charges balance at surplus was reduced by $10,252 to $45,898.

Savings deposits were marginally lower totalling $5,510,000 compared with $5,524,000 in the previous year, but an increase of $364,000 over 1930. Quick liquid assets amounted to $1,420,864 being equal to 77.05 per cent of all total savings payable on demand. This is an improvement over the previous year when liquids were $1,297,599 or 63 per cent of payables.

Number and value of estates and agencies under administration increased, inventory value being $10,616,000 compared with $9,257,000 in 1931.

National Steel Car Plants Continue Slack

From Our Own Correspondent

MONTREAL. — Plants of National Steel Car Corp. are idle at the present time. No orders for equipment have come through from either railway this year and as yet there have been no indications of the roads entering the market. In the company's automotive division there is also slackness apparent owing to the slump in auto production.

Dividends of 20 cents a share on the common stock were paid on January 2 but shareholders were advised with this disbursement that further dividends would probably await an improvement in the affairs of the company.

Alexander Building Plan Meets Approval

From Our Own Correspondent

MONTREAL.—Bondholders of Alexander Building Corp. approved the plan of reorganization at the adjourned meeting.

Under this plan bondholders will receive a new 6 per cent first mortgage cumulative income bond, principal and interest payable in Canadian funds, in exchange for the present 6 per cent first mortgage bonds, principal and interest of which are payable, at the option of the holder, in Canada and the United States.

The capital of the company is to be increased from 10,000 to 30,000 shares of no par value. Of these 30,000 shares, 10,000 will be given to the holders of the $300,000 principal amount of debentures who have agreed to surrender their debentures for cancellation, and the balance will be distributed among the bondholders on the basis of 1 share of common stock for $100 of bonds.

The board of directors is to be increased from 5 to 6, four of whom will represent the bondholders. For this purpose the meeting nominated J. A. Pariseau and W. S. Lighthall, Montreal; A. E. Corrigan and G. W. Mitchell, of Ottawa. The other two directors are E. R. Parkins, K.C., representing the debenture holders and J. S. Aird, of Nesbitt, Thomson and Co.

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TORONTO, FEBRUARY 4, 1933

PARAMOUNT PUBLIX IN RECEIVERSHIP

IN THE spring of 1930 The Financial Post fought the plan to sell Famous Players Canadian Corporation to Paramount Publix, a United States motion picture producing and exhibiting organization. Famous Players was doing well and earning good profits; Paramount had a heavy load of potential obligations that made its financial future less promising. Yet, directors of Famous Players recommended the shareholders to take four shares of Paramount for each five shares of Famous Players they held.

The deal went through despite the opposition of The Post. The concern that was sliding into bankruptcy acquired one of the most profitable movie chains on the continent by issuing scraps of paper to the Canadian owners.

Last week Paramount Publix was placed in what the American courts call euphemistically "equity receivership." The directors denied that the company was insolvent.

The Canadian people, who sold out their only great chain of picture houses for what are now almost worthless shares of stock will probably have the opportunity of buying back that chain from the receivers for hard cash.

TARIFF CUTTING

CANADIAN bankers seem to be almost unanimous in urging cuts all around in the tariffs of the world. In this they agree with economists, primary producers and retail merchants. The manufacturers and other "protected" interests are the only ones who are not urging tariff cuts.

But quoting the generalized statements of the bankers and the economists as specific arguments for a drastic cut in the Canadian tariff, as is the wont of some of our free trade or low tariff newspapers, overlooks the essential fact that an all around cut or a series of cuts in tariffs is quite a different thing than a tariff cut by a single country.

Canada's tariff may be too high for our own best interests or it may be too low; that is a matter of opinion. How high or low it should be involves a consideration of the character of the protection in other countries. If other countries had lower tariffs, then Canada's present tariff would undoubtedly be too high.

The World Economic Conference is expected to discuss tariffs. It taxes the imagination to hope that any such conference can effectively initiate and carry a programme of tariff reduction throughout the world.

There are two ways that international tariff cutting on an international scale can be started:

1. By reciprocal agreements between different pairs or groups of countries; agreements such as those reached at Ottawa; or the new Germany-Canada or France-Canada treaties.

2. By voluntary tariff reduction on the part of creditor countries, chiefly France and the United States.

Barring such contributions to the solution of the international tariff problem the process of protection-levelling will be a slow one developing only as the crawling progress of recovery permits countries to remove the tariff defenses of their financial and currency positions.

CALGARY'S "COURAGE"

AT LAST," says the Cobourg, Ont., World, "the banner of true Canadianism has been flung to the breeze." The event that has aroused such enthusiasm on the part of one Ontario editor is that Calgary has refused point blank to pay a premium to Americans on the funds they have invested in Calgary municipal bonds. The editor goes on to say picturesquely: "Had Mr. Bennett and his ministers had any political guts they would have told the American bankers to whistle up the breeze for their premium. Had the Wall Street money barons been told that if they didn't like Canadian dollars they could do without any, they would soon enough have brought our currency back to par with their own."

There is something wrong somewhere. Here we have greedy American bankers blamed for the discount on our dollar. And out West we have farmers clamoring for a greater discount so that they can get more money for their wheat.

Can it be that greedy American bankers have nothing to do with our exchange rate and make no money out of discounting our dollar? Can it be, even, that the greedy American bankers in question do not exist and that the people who are asking American funds on their Calgary bonds are in the main United States private investors, or insurance companies representing millions of private individuals, who do not ask a premium but simply do not want their dollars discounted in bad faith by the city which pledged its credit to them?

IS RUSSIA FACING A CRISIS?

CLEAR, dispassionate information from Russia in recent weeks indicates that a financial crisis may be rapidly approaching in that much-discussed country. A few weeks ago in Toronto W. H. Chamberlain, official observer for the past ten years for the Manchester Guardian and the Christian Science Monitor, stated that one of the real dangers in Russia today was that it might not be able to continue its purchases from abroad. Exports and goods available for export have dwindled very rapidly in the past two years he pointed out, and although the demand for imports was great—particularly for consumptive goods under the new policy of the second five-year plan—the wherewithal for payment was becoming increasingly scarce.

This very important point—in which Canada is particularly interested at the present time—is further elaborated in some illuminating correspondence in the New York Annalist which points out that the chief source of Russia's imports in recent years has been Germany, whose bankers and manufacturers have been willing to extend credits. These credits have been falling due recently and lacking sufficient of its own goods, Russia has been attempting to meet its bills with gold and silver During the last two years, this correspondent states that Germany has received from Russia close to $100,000,000 in gold and about $3,000,000 in silver and some platinum. Delivery of gold, however, has been far in excess of Russian production and silver payments have been largely in the form of pre-war silver coins, accepted by Germany as crude bullion. Then, too, at the end of 1932 there is supposed to be about $100,000,000 of German credits to Russia falling due within the next two years.

Other authoritative reports lend weight to the belief that an acute crisis is currently at hand—a crisis attributable to four factors, namely: a crop shortage amounting to roughly 30 per cent; an acute shortage of consumptive goods of all kinds; inflation of currency; and the forced pace at which collectivism in agriculture has been achieved which has now brought 80 per cent of all farmers into the collective system, whereas the "plan" called for but 20 per cent.

There is no question that Russia is desirous of buying from Canada —even though it may be as a last resort as other sources of supply dry up. There is equally no doubt that Canada could find a ready market for her hides and cows and other commodities in Russia if Russia could pay for these commodities. But about all that Russia has to sell is such raw material as she can sacrifice—lumber, petroleum, anthracite coal, manganese or and three minor commodities, namely, furs, caviar and platinum —none of which, with the single exception of petroleum are needed in Canada in any quantity if at all. Her ability to pay cash or to finance a deal without the use of barter is practically non-existent, and the reported possibility of an economic crisis during the present year adds additional risk to an already doubtful trading position.

OUR SHY BANKERS

AT THEIR various annual meetings, Canadian bankers, the presidents and general managers are taking advantage of their opportunities to say a word or two about the proposal for a Central Bank for Canada. Unanimously the opinion is expressed that Canada is doing very well without a Central Bank, that such an institution would add nothing useful to our present banking system and that Canada in short should not bother to establish one.

With all due respect for the many skilful and worthy arguments in favor of a Central Bank for Canada, that have been put forward in many places—including various articles to which The Financial Post has been glad to give space in our independent surveys of the problem—we have not yet been convinced that any form of Central Banking institution yet proposed has sufficient potential advantages in it to offset the obvious dangers that are apparent. In other words, so far as The Financial Post is concerned, the case for a Central Bank is distinctly "not proved."

To that extent then we are in general agreement with the viewpoint of the bankers. Nevertheless, we may question if the bankers are getting their arguments over to the public.

Since the first Bank Act was passed in 1871, laying the foundations for the development of the superior type of banking machine we have in Canada today, our national banking legislation has been going through a process of change, revision and improvement. Each ten years we have had a revision of the Bank Act. Each ten years. hundreds of suggestions, ranging from the fanatical schemes of wild-eyed and economically ignorant reformers to the carefully studied proposals of sincere men, have been presented and it has been the duty of Parliament to sift these, reduce them to the more reasonable few and then to adopt the ones that offered obvious possibilities of reform. It would be fair to say that at each ten year period the banks have adopted the attitude that the existing Canadian banking system was so good and operating so well that any attempt to "tamper" with it would be dangerous and for that reason the best thing the Banking Committee could do would be to recommend against any new legislation of any kind. But each time, of course, the Banking Committee has found a few new features to add to the banking system. Ten years later the bankers have repeated their claim and the old banking system plus the new improvements that they opposed has been held up by them as again too good to be changed. They oppose everything new and then defend it as soon as it is part of their system.

If the bankers continue to oppose every new feature suggested for the banking system they are bound to weaken their arguments against the more vicious of the proposals that are made.

Canadian bankers are unexcelled—as bankers—by any group elsewhere in the world. But as public relations experts they fall down Thus they are constantly being forced to submit to the abuse of unprincipled propagandists. Their natural caution and conservatism is no match in the public prints against the panaceaists.

It is to be hoped that Canadian bankers continue to be equally as careful in the future as in the present in looking after the funds entrusted to their care but they could properly be less cautious and conservative in listening in to what the great mass of the people are saying and in presenting their own case in a more original and forceful manner before the people.

Merely saying "Let well enough alone" and saying it professionally to each other is not convincing enough.

LEADERS MUST SPEAK OUT

AT THE annual meeting of the North American Life Assurance Co. last week, and on the invitation of President T. Bradshaw, George W. Allan, K.C., bluff farmer-merchant-financier, from Winnipeg, spoke straight from the shoulder when he urged the great need at the present time of clear-cut, forceful statements and opinions from leading Canadian citizens on what he termed the four most pressing matters of interest to all nationally-minded Canadians at the present time.

The four most pressing domestic issues which he named were: high cost of government; the railway problem; inflation and central banking.

Mr. Allan has spent the past month visiting Toronto, Montreal, and Ottawa and has been a regular attendant at the annual meetings of the leading financial and commercial institutions of the country. He threw out well-chosen words of praise to those heads of institutions who had used the opportunity of their annual meetings to make frank and clear-cut statements of their position in regard to these problems, and urged that this example be followed by leaders in other spheres of business and financial life. Mr. Allan stressed also the prime need for enlightenment on the part of the average citizen of Canada particularly in the far east and west, and the tremendous importance of sound and enlightened leadership of business and financial executives in this regard.

EDITORIAL NOTES

United States has increased its public debt three billion dollars in one year and yet some people suggest inflation over there.

* * *

It is forecast that Senator Huey Long, Louisiana, will be next U. S. president. But will the Americans stand for his Huey that Long?

* * *

C. P. R. timetables are now openly displayed in the lobby of the Chateau Laurier, Ottawa. This is the first step in unification on the Beatty plan.

* * *

The danger point in public relief has been reached. Many of those drawing assistance from the State now consider what they are getting is simply their inalienable right.

* * *

Hon. Thos. L. Kennedy, Ontario minister of agriculture, thinks the depression has been over-advertised. But he will admit that it has been a depression worth talking about.

* * *

"It's an ill wind. . ." The jurisdiction fight between the Dominion and the provinces has at least kept the country from being saddled with an unemployment "insurance" scheme without adequate study.

* * *

An argument is proceeding as to whether Winnipeg Electric made a mistake in building the Seven Sisters power plant. Well, the plant is built and it isn't running because there is no market for the power which would almost seem to settle the question.

* * *

Who would be a banker, an insurance executive or a mortgage man? Trustees of the nation's savings, they are the guardians of widows and orphans, and potential widows and orphans. They spend their days protecting them from impecunious borrowers, socialist tax collectors and financial racketeers. This they do in the daytime. At night, they lie awake worrying over the millions they have invested, some of it foolishly, some of it never to be got back.

POST-scripts

SOMETIMES discrepancies enter reports on companies and their personnel. In correction of an item concerning the direction of one company we note the following remarks by the manager:

> "The writer is the Manager, not General Manager (the Company has no General Manager and does not need one, having, fortunately in these times, no branches.)"

NEW automobiles shown at the recently concluded Toronto Show and at the present display in Montreal have elicited some sparkling comment. Streamlining of the new 1933 models is a feature which has completely altered the appearance of many makes of cars, some of which veer strongly toward the "tear drop" design.

One observer of a fish-like example of accentuated streamlining in a certain make was asked his opinion of the car. "I don't know much about it," he said, "but I think it would take a sharp snap at a bass plug."

DO LOCAL improvements—sewers, pavements, sidewalks, watermains—etc., etc.—add to the value of city property? Obviously they must or we would not waste energy putting them in.

But consider this case. There is a corner lot in Toronto with a frontage of 25 feet on one street and 140 feet on another.

The owner is paying local improvement taxes on two pavements, two trunk sewers, two lateral sewers, two watermains, two sidewalks. Obviously he can use two pavements and two sidewalks but he can not possibly use two watermains or two sewers. He has completed paying expensive rates on grading the side street. Not counting the grading and one of the sidewalks for which the exact figures are not available the total local improvement charges levied against the property are $1,702. Perhaps the total, including the two items mentioned, would be $2,000.

Let us see what these improvements have added to the value of the property. The lot, if it had no house on it, would be worth at most $50 a foot or $1,250.

But there is a house on it. The owner paid $10,100 for house and lot several years ago after beating down the builder from his original asking price of $11,500.

Today the house and lot together, although they are in the best of condition, are not worth more than $8,500 and if anything more than $8,000 were asked the chance of finding a buyer in the present dull market would be about one in a thousand. The owner knows. He has tried to sell. Local improvements, some of them installed for the convenience of others and of no value to the owner of this property, have confiscated a large portion of his capital investment in the house.

Other People's Views

The Wheat Outlook

The Leader-Post, Regina: It is not the easiest matter to extract sunshine out of the present economic situation for most countries of the world, but there may be in the international wheat situation some shreds of comfort and hope.

There is some promise of present world wheat surpluses being cleared up in substantial extent at least and, consequently, of the world price tending to go higher.

Race for Depreciation

The Free Press, Winnipeg: Just what would be the end of a race in the depreciation of currency? Advocates of inflation by currency depreciation in Canada pooh-pooh the idea that it would be allowed to get out of hand; but we do not know that Canadians are more sensible about most things than their cousins "down under." Under pressure, we are likely to act pretty much as they do; and it can be seen that depreciation of the currency simply whets the desire for more as the effect wears off. Because it is admitted even by the inflationists of Australia that the benefit is only temporary.

$50,000,000 Thrown Away?

The Record, Sydney.—In Toronto financial circles the claim is being boldly made that the Hudson's Bay Railway is such a complete failure that shippers had to be paid to use it this year.

In other words, the 3,000,000 bushels of wheat that moved overseas from Churchill this year have been a delusion and a snare.

The only reason they were moved at all was because the government bonused a private company by allowing it free freight, storage and elevator service, causing The Financial Post to scoff at the claims of "success" put forward by the government, saying:

"No doubt if the government had bonused the same firm enough, it would have been glad to have carried grain by airplane over the North Pole."

The situation is a serious one, and the true value of the Bay route probably will not be determined until better times return.

Meanwhile we are left to wonder whether the $50,000,000 spent on construction of this road and these terminals has been entirely wasted?

As Others See Us

Property Has Shrunk in Value

The Star, Sault Ste. Marie.—The view is generally held that the sound executive will conduct his operations on the assumption that present conditions will continue indefinitely. The unyielding attitude of the United States on war debts has undermined world confidence in an immediate improvement of business.

How then should Canada, its provinces and municipalities act? The undoubted policy for them is to drastically cut expenses.

We might as well face the future bravely and with cool heads. The city should cut its assessment radically. It is time to abandon valuations which in many cases do not represent the facts.

Folowing that the city has to consider making a tax levy that ratepayers can stand.

The Financial Post says:

"Toronto has had to cut downtown assessments by several millions. Deflation of land values cannot be avoided in the aftermath of the general price decline and cities will be forced to recognize the new and lower values when they make up their assessment rolls.

The World at Large

An Occasional Department Discussing World Economic Affairs That Affect Canada

By F. S. C.

WAR DEBTS AND WORLD RECOVERY

SOME people believe that the war debts are being permitted to play an unduly important rôle in public sentiment. How could a war debt settlement start business booming immediately? they ask.

It is hardly likely that a settlement of the war debts would start a great boom, but the effect on business undoubtedly would be remarkably favorable.

In the first place a satisfactory settlement would most likely result in some tariff reductions in different countries, possibly even in United States and certainly in the European countries. The European countries were raising their tariffs rapidly in the years immediately following the war, but they jumped them up sky high in the last three or four years, because of the urgent necessity of accumulating foreign exchange accounts to meet war debts and other foreign obligations. Previously they had met the service on these debts by borrowings in New York.

* * *

NEVILLE CHAMBERLAIN, Chancellor of the Exchequer, gave some interesting figures along this line in his Leeds speech last week. He said:

> "During the ten years 1922-31 the United States received from foreign countries £400,000,000 in war debts, £1,000,000,000 in net interest on commercial loans and £1,200,000,000 for the surplus of American goods sold abroad over foreign goods sold to her.
>
> "That makes a total of £2,600,000,000 in receipts. How did the foreigners pay that vast sum? One billion five hundred million pounds came from expenditures by American tourists in European countries and remittances from immigrants living in America to their European relatives. Another £100,000,000 came by shipments of gold, making £1,600,000,000 altogether.
>
> "Where did the remaining £1,000,000,000 come from? It came from loans made by America to the rest of the world, and it was that £1,000,000,000 of loans and that alone which made possible the payment of £400,000,000 of war debts."

American tourist expenditures in Euorpe have declined and further borrowings in New York are out of the question until the war debts question is settled. With some settlement in this account there might be a resumption of foreign lending by the United States on at least a limited scale, which would make rigorous exchange restrictions in the European countries less essential. These countries then would be able to reduce some of the more absurdly high tariffs they have imposed.

* * *

FIGURES indicating the trade balance for the European countries show how necessary it has been for them to protect themselves against the loss of capital by restricting their purchases. In 1932 the British had an adverse trade balance of £287,000,000 which was a considerable reduction from the 1931 adverse balance of £411,000,000. England, of course, depends very largely on the invisible exports, or receipts from foreign investments and from items such as shipping, insurance, finance, etc. But these items also have shrunk under the stress of world conditions, and it is believed that the net adverse balances for the last two years have averaged about £111,000,000. Obviously, Great Britain cannot continue to lose capital at this rate.

France has an adverse trade balance and while Germany has a favorable trade balance the figure declined sharply in 1932 from 1931.

Each nation is protecting itself against the imports of other nations, in order that any exchange accounts it accumulates by exporting and foreign investments shall be available to meet the service on political and private loans. As a result trade is simply stagnant.

* * *

AS THE chief item in this unfortunate sequence of causes of business stagnation the war debts are obviously the first thing to be tackled and settled, and in fact they must be settled on some favorable basis before the World Economic Conference can get down to the questions of tariffs, credit and currency, etc.

The contention of the British is that trade revival must come before there can be any assurance of solvency for the larger and smaller countries, and that without revival in international trade, further retrogression in economic conditions is inevitable. The British further add that it is their belief that the foundations of such a revival can be laid now by a final settlement of the financial consequences of the war.

* * *

THE British government have stated to the United States that they are convinced that if a realistic debt readjustment can be effected, there are excellent reasons for believing that trade improvement of a marked nature would immediately occur.

The British further declare the alternative to be an accentuation of the depression, further depreciation of the pound and all currencies tied to it, and insufferable world crisis.

Word comes from well-informed Washington that no obstacles will be placed in the way of the desired settlement.

UNOFFICIAL intimations are now coming out as to the settlement likely to be made in connection with the war debt. The forecast for the British settlement is that United States will allow a 70 per cent write-off of capital value of the British war debt to United States and that the British will be permitted to pay this in any reasonable number of installments, even up to 40 or 50 years without any annual interest payments.

For the moment, the attempt of the United States to demand a "quid pro quo" for the debt settlement in the form of British adherence to the gold standard or a British market for United States goods seems to have failed utterly.

President-elect Roosevelt and President Hoover have at least one purpose in common in connection with war debt negotiations. The president is desirous of establishing a link between debt adjustments and currency stabilization. Reliable reports, emanating from Roosevelt headquarters, are that the president-elect also is considering currency stabilization in connection with debt discussions.

Although the outgoing and incoming presidents may differ as to premise, both seem to have reached the conclusion that stabilized currencies are essential to American and world recovery.

But the British have frankly refused to "reach decisions" on economic or currency matters prior to the World Economic Conference.

* * *

WELL informed opinion in Washington is that debt negotiations will be accomplished quickly. Before the British delegates to the war debts conference arrive in March the essential problems will have been boiled down to a few decisive items on which there will be a fairly general agreement of opinion. It is likely that the new programme will be ready for presentation to the new Congress, if it is called late in March.

There is still some hope that December, 1933, will see the passing of the crucial year in the greatest depression in history.

"Stop Me If You Have Heard This One"

Marshal von Hindenburg has preserved his Teutonic temper and his sense of humor London Public Opinion furnishes this example:

Interviewer—What do you do, sir, when you get nervous?
Hindenburg—I whistle.
Interviewer—But I never heard you whistle.
Hindenburg—Neither did I.

P. E. I. Lobster Catch Gains

Prince Edward Island's lobster catcsh aggregated 11,385,700 pounds for the year 1932 or 1,973,300 pounds in excess of the previous year. Of the 1932 catch, 44,570 cases were canned and 2,520,300 pounds sold in the shell.

Security Review

Frequent changes in business and financial conditions make a regular review of even the most carefully selected investment list advisable.

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51st Annual Statement

PROFIT AND LOSS ACCOUNT

Balance 31st December, 1931		$ 81,822.52
Net Profits, deducting all Management Expenses		396,871.71
		478,694.23
Appropriated as Follows:		
Quarterly Dividends, Nos. 143 to 146		315.000.00
Federal, Provincial and Business Taxes		55,000.00
Office & Vault Equipment		25,000.00
Balance carried forward		83,694.23
		$ 478,694.23

ASSETS

Capital Account:		
Office Premises	$ 2,000,000.00	
Real Estate held for sale	846,665.13	
Mortgages and Agreements for sale	2,461,369.52	
Debentures, Bonds and Stocks	81,372.29	
Loans on Debentures, Bonds and Stocks	107,777.67	
Loans to Trust Estates	388,507.00	
Accounts Receivable	62,081.57	
Cash in Banks	260,726.28	
		$ 6,208,499.46
Guaranteed Trusts Account:		
Mortgages	15,507,914.28	
Government and Municipal Debentures	5,166,533.17	
Bonds, Debentures and Stocks	590,942.66	
Loans on Government and Municipal Debentures	1,554,826.52	
Loans on Bonds and Stocks	629,265.68	
Cash in Banks	765,125.99	
		24,214,608.30
Estates, Trusts and Agencies:		
Investments and Cash in Banks	63,881,696.84	
Original Assets of Estates at Inventory value	129,742,244.35	
		193,623,941.19
		$224,047,048.95

LIABILITIES

Capital Account:		
Capital	$ 3,000,000.00	
Reserve	3,000,000.00	
Dividend No. 146 due Jan. 3rd, 1933	75,000.00	
Income Tax and Unearned Rents	49,805.23	
Profit and Loss	83,694.23	
		$ 6,208,499.46
Guaranteed Trusts Account:		
Guaranteed Investment Certificates	18,045,874.00	
Savings Deposits	6,168,734.30	
		24,214,608.30
Estates, Trusts and Agencies		193,623,941.19
		$224,047,048.95

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Copy of 51st Annual Report covering year ended December 31st, 1932, with statement of Auditors and full proceedings at Annual Meeting held Feb. 1st, 1933, will be mailed on request.

The Week in Business

New Index for Economic Areas

THIS week The Financial Post publishes a new index of business conditions in the five economic areas of Canada. It has been felt that the former figures based merely on the only data which are available for each area on a comparative basis were inadequate to accurately reflect monthly business changes in each area. Accordingly new individual indices have been compiled by including factors which relate specifically to conditions in each area.

Thus in the Prairie Provinces the new index includes wheat marketings and the price of wheat; for Ontario, automobile iron and steel production and meat packing are new items, while in Quebec, indices for the changes in boot and shoe production, pulp and paper and textiles have been used. In both the Maritimes and British Columbia factors bearing on port activity such as shipping clearances and imports and exports from leading ports have been used. It is hoped that the new indices will prove of considerable value in aiding readers of The Financial Post to obtain an authoritative monthly review of business conditions in various parts of the country.

* * *

Intangibles Show Improvement

THOUGH commodity prices still continue to decline and other important indicators (with the exception of employment returns as at January 1) fail to offer much statistical encouragement as to the state of trade and commerce the "intangibles" of business sentiment are currently more hopeful than has been the case for several weeks. In part this has been due perhaps to the fact that president-elect Roosevelt has declared his resolve to come to grips with the war debt problem immediately he assumes office. As a result much hope has been engendered that something tangible and constructive will be achieved in this direction before long.

Outside international considerations many of the leading nations are busy considering the not very happy task of an annual budget. In Great Britain, Mr. Chamberlain's principal preoccupation during the next few weeks is reported as being preliminary work on the British document. In Canada, Mr. Rhodes is deeply engrossed in a similar problem and in the United States as the time at which the new government takes office approaches, speculation is rife as to what measures will be taken to meet rapidly growing deficits. The news will be anything but pleasant but business will be encouraged if finance heads take courageous measures to attempt once again to overtake sadly declining revenues

* * *

Employment Index Makes Gain

IN CANADA the most cheering business news released during the week was the announcement that the Dominion Bureau of Statistics' seasonally corrected index for employment at January 1 showed a gain of 1.7 points to 84.1. This gain was made in the face of all-round reduction of employment in manufacturing, transportation and construction. This halt in the downward trend in employment, however, is not evident in the uncorrected index. the figure of 78.5 at January 1 being the lowest recorded in the past decade.

Construction contracts awarded in January provide the "blue" note of the week, the total of $3.362.400 being the lowest monthly total since January, 1919, when contracts sagged below the $3 million mark, and only a quarter of the total recorded in January, 1932.

December bank debits showed considerable contraction, being 15 per cent below the November total and 21 per cent less than recorded in December, 1931. The increase in carloadings was less than normal, during the week ended Jan. 21, due to reduced loadings of coal and grain in the eastern division, the total for Canada of 32,872 comparing with 40,490 in the same week of 1932.

Business Conditions in Canada

EMPLOYMENT GAIN ON JANUARY FIRST AGAINST TREND

Corrected Index Rises Despite Quicker Manufacturing

Although actual employment at Jan. 1 was less than at the beginning of the previous month, the index of the Dominion Bureau of Statistics, corrected for seasonal variation, jumped from 82.4 to 84.1 against the usual seasonal trend. The index for employment in manufacturing, however, dropped slightly from 81.3 in December to 81.0 in January, against the trend between these two months in other years.

Seasonally there was the usual drop in employment in all industries, the uncorrected index falling from 83.2 to 78.5, the lowest figure recorded on this date in the past decade and compared with 91.6 on Jan. 1, 1932. As is usually the case at the beginning of January, the greatest losses took place in manufacturing, construction and transportation but there were also important reductions in mining and communications. Trade and logging, in which the tendency at Jan. 1 has very frequently been downward, showed an increase compared with Dec. 1. The uncorrected index for employment in manufacturing declined from 80.3 to 74.4.

All Areas Down

Reports from all economic areas recorded reduced employment, Ontario and Quebec, being the centres of manufacturing, having the largest decreases. At least a portion of the decreases recorded in manufacturing can be attributed to temporary stoppage of work over the holiday season and for inventory and plant repairs and it is likely that a partial recovery will be shown in the February report.

Activity in automobile plants in the Border Cities accounts for the fact that this city shows improved employment at Jan. 1. Altogether specific information is given for eight cities, the other seven recording reduced employment. Summaries of employment conditions in these eight cities and in the Maritime Provinces, in which none of them are situated, follow:

Reports of Cities

Maritimes—Transportation showed seasonal improvement with the opening of the winter ports but other lines of activity were slacker.

Montreal—Retail trade was seasonally better but declines were shown in transportation, construction and manufacturing, especially in food, textile, leather and iron and steel. Reports from 1.108 establishments showed 113,958 employees compared with 125,289 at Dec. 1.

Quebec—Non increases are reported from Quebec. Staffs of 152 employers numbered 11,569 compared with 11,992 at Dec. 1.

Toronto—Toronto firms showed a smaller seasonal contraction than on Jan. 1, 1932, but employment was then in greater volume. Retail trade reported considerable improvement over Dec. 1, but other lines of activity were slacker, especially textile, metal, food, printing and publishing and electrical apparatus manufacturing.

Ottawa—Manufacturing and construction registered seasonal curtailment, and transportation also afforded less employment.

Hamilton—Manufacturing and transportation showed reduced activity, while highway construction and services reported improvement. The declines noted on Jan. 1, 1932, were larger and the index was then higher.

Winnipeg—Factory employment declined but construction showed a slight improvement. The 353 co-operating firms reported 33,624 employees, compared with 34,350 in the preceding month. This reduction did not involve so many workers as that recorded on Jan. 1, 1932, but employment was then more active.

Vancouver—Reductions took place in Vancouver, according to returns from 341 employers of 25,385 persons, as compared with 26,488 on Dec. 1. A much smaller decrease had been indicated on the same date of last year, and the index then was higher. There were losses in manufacturing, construction and trade on Jan. 1, 1933, as compared with the preceding month, while other groups did not show much change.

Ontario, B. C. and Quebec Show Increased Activity

Revised Business Index for Economic Areas Shows Several Gains — Employment and Higher Power Output Chief Cause

By SYDNEY B. SMITH

The indexes of business activity by economic areas, as compiled by The Financial Post and revised this month to include additional factors, showed improvement at the end of the year in three economic areas and further decline in the other two. Quebec, Ontario and British Columbia registered moderate gains in the business indexes, while declines were shown in the Maritimes and the Prairie Provinces.

The survey of business conditions in the economic areas was revised for the entire period of observation from the beginning of 1925 to the present. As the external trade of the Maritime Provinces and British Columbia is of growing importance for these areas account was taken of the imports, exports and tonnage of shipping cleared from principal ports.

For the extension of the index of Quebec, several industries which are principally carried on in the area were added to the list of factors. These included boots and shoe production, pulp and paper and cotton textiles.

Factors indicating the trend of the automobile industry, steel production and meat packing were added to the list for Ontario.

Wheat for Prairies

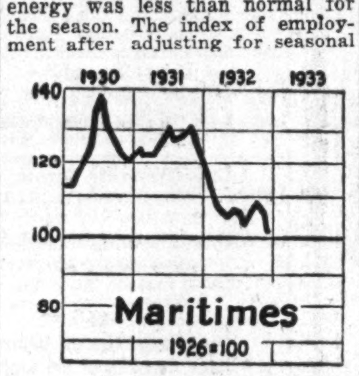
As agriculture is the chief source of revenue in the Prairie provinces two factors were added, indicating the trend of wheat marketings and the price for No. 1 Northern on the Winnipeg grain exchange.

Consequently the progress on the area is now measured by eight or nine factors instead of the seven originally used in this connection. The number of regular placements effected by the government employment offices was dropped from the compilation. After considerable experience with this factor it was found that it was not an accurate barometer of labor conditions.

Employment and Power Cause Gain

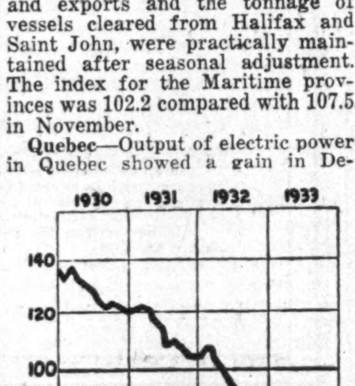
The main influences in raising the index for three areas in December were employment and electric power production. The construction industry was decidedly quiet in December, the booking of new business being at the lowest level for some years. Bank debits made a very poor showing in the month under review and sales of insurance showed rather sharp declines in all areas.

Maritimes — In the Maritime provinces construction contracts awarded showed a gain and the decline in the output of electric energy was less than normal for the season. The index of employment after adjusting for seasonal tendencies was 83.2 compared with 86.1 at the first of December.



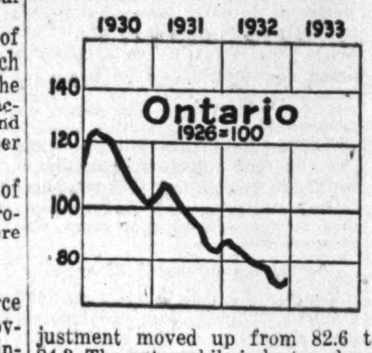
Imports through ports of the Maritime provinces showed a gain and exports and the tonnage of vessels cleared from Halifax and Saint John, were practically maintained after seasonal adjustment. The index for the Maritime provinces was 102.2 compared with 107.5 in November.

Quebec—Output of electric power in Quebec showed a gain in December after seasonal adjustment and the index of employment with the usual adjustment was 84.9 compared with 81.3 in November. The building industry was at a low ebb, while bank debits and sales of life insurance were at a lower level.



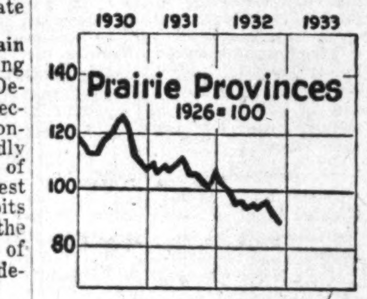
The output of boots and shoes was nearly maintained while the production of newsprint and the imports of raw cotton by the cotton textile industry was less than normal. The business index for Quebec moved up from 96.2 in November to 96.5 in December.

Ontario — The Ontario schedule presents a strong contrast. The construction industry was in the doldrums and the output of electric power showed a decline. The index of employment after seasonal adjustment moved up from 82.6 to 84.3. The automobile industry showed a slight gain and the meat-packing industry was more active. The steel industry operated at a low percentage of capacity.



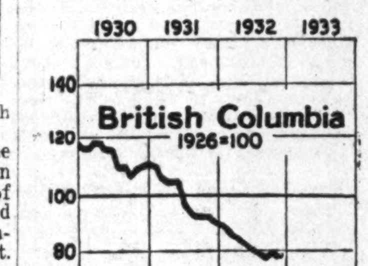
The business index for Ontario was 74.5 in December, compared with 73.9 in the preceding month.

Prairie Provinces—Several gains were shown in the Prairie provinces, building permits registering a moderate gain. The average daily output of electric energy was greater in December and the index of employment after adjustment for seasonal tendencies showed a sharp gain.



Wheat receipts after the usual adjustment showed a gain in December, while prices reached the lowest point in the history of the Winnipeg grain exchange. The business index for the Prairie provinces was 90.2 compared with 92.4 in November.

British Columbia—The index of employment for British Columbia after seasonal adjustment was 77.4 compared with 74.2 at the preceding reporting period. Electric power production showed a moderate gain.



New businesses obtained in the construction industry weer at a lower level and the financial factors used here showed decline.

The tonnage of vessels clearing from Vancouver showed a gain of 7.5 per cent in December compared with the preceding month, due allowance being made for seasonal tendencies. Imports showed a gain over November while exports were not in such heavy volume after the usual adjustment. The index for British Columbia was 79.4 compared with 79.3 in November.

Maritime Trend Differs

An examination of the revised economic area indexes discloses considerable similarity in the trends during the period of observation from January, 1925, to the present time. The trend was upward from 1925 to the beginning of 1929, when the maximum was reached in the first quarter. The subsequent period was one of general reaction, a low level being reached in the last half of 1932. The index of the Maritime provinces showed some diversity from this trend general to the other areas. The advance was continued in the Maritime provinces until 1930 when the highest point was reached in July of that year. Decline in trend has been shown since that time.

The declining trend was discernible in each of the areas during 1932, the steepest drop being in the first half of the year. In Quebec, Ontario and British Columbia considerable resistance was manifested against further reaction in the latter part of 1932. The Maritimes and the Prairie provinces showed decline in the last quarter while in other areas the reaction was terminated at least temporarily for several months before the end of the year.

Farmers' Income Well Maintained First 4 Months

Agricultural income of the Prairie Provinces for the four months from August 1 to November 30 amounted to $94,069,000, a decline of less than 1 per cent from the $94,749,500 recorded in the same period of last year, according to a compilation made by the W. Sanford Evans Statistical Service, Winnipeg. November was the low month of the period as far as 1932 was concerned, the total for the month being only $13,792,100 compared with $24,725,400 in November, 1931.

Revenue in December is not complete but wheat is estimated at $4,066,843 compared with $6,580,680 in December, 1931, other grains at $794,829 compared with $1,095,902 and butterfat receipts at $402,980 compared with $499,426 in December, 1931.

Complete estimates are as follows:

Agricultural Income in Prairie Provinces

	— November — 1932 $	1931 $	— December — 1932 $	1931 $
Wheat—	10,692,790	19,663,505	4,066,843	6,580,680
Other Grains—	1,324,692	2,114,035	794,829	1,095,902
Livestock—	1,379,297	2,472,918	......	2,261,610
Butterfat—	395,316	402,980	474,969	499,426
Total—	13,792,095	24,725,427	......	10,437,618
4 Mos. Total—	94,069,034	94,749,546	......	

New Industries and Plant Extensions in Canada

Compiled Weekly By The Financial Post

W. H. Goldring has leased factory space in Guelph in a building erected by the Raymond Manufacturing Co. and will shortly commence making paper bags. Between ten and fifteen men will be employed at the outset.

Canadian Carborundum Co., Ltd., Niagara Falls, Ont., opened an addition to its factory on January 3. The addition, which cost $250,000, was commenced in the spring of 1932.

Oakville Basket Co., Ltd., have erected a new building in which they are installing a rotary dry kiln for drying commercial veneers.

J. A. Tumbler Laboratories of Canada, Ltd., subsidiary of the United States concern, will manufacture that company's line of waxes, polishes and dressings for automobiles and furniture in Toronto. The company will carry on an export trade to British Empire countries as well as serving the Canadian market. A. H. Fraser & Co., Ltd., 283 King Street East, Toronto, will be Canadian representatives, with A. H. Fraser local manager.

Plibrico Jointless Firebrick Co. of Chicago has leased manufacturing space in the Ritchie-Ramsey Co. plant in New Toronto and will form a Canadian subsidiary to manufacture there to serve the Canadian and British Empire market. E. M. Wilson, who has represented this company in Canada will be in charge of Canadian operations.

Modern Dairies, Ltd., has been formed in Saint John, N. B., to distribute milk, butter and ice cream throughout the city. A section of the Phoenix Foundry has been leased for a plant and offices. J. F. Tilley is president and general manager.

Edmonton Airport Activities

Planes made a total of 1,412 arrivals and departures at the Edmonton Airport during 1932, while a profit of $250 was made on the year's operations, as compared with a deficit of $540 in 1931. Passengers carried during the year totalled 2,050.

Commodity Prices

Commodity Prices at Wholesale‡
(N. Y. unless otherwise stated)

	Week ending Jan. 28	Previous week	Same week last yr.
Cattle (cwt.) Toronto)	$4.50	$4.75	$6.75
Copper, lb.	.05	.05	.07
Cotton, lb.	.0625	.0625	.0680
Rubber, lb.	.0296	.0296	.0425
Silk, lb.	1.20	1.22½	1.90
Sugar, raw, lb.	.0270	.0267	.0308
Wheat (Man.) bu.	.44⅜	.43⅜	.59¼
Hides, lb.	.05	.05½	.07½
Coffee, lb.	.08¼	.08¼	.07⅛

Weekly Indices *

N. Y. Annalist	81.7	82.7	93.1
Fisher's	55.5	56.4	†62.0
N. Y. Journal of Comm.	52.6	52.8	59.9
Crumps (Brit.)	61.1	61.5	†62.4

*N. Y. Annalist base, 1913, others, 1926.
†Average 1932.

Monthly Indices

	Latest	Prev. month	Same month last year
Canada (D.B.S.) w'sale (Dec.)	64.0	64.8	70.6
Retail (Dec.)	80.4	80.4	89.6
U.S. Labor (Dec.)	62.6	63.9	....
Gt. Brit. (Dec.)§	46.0	46.0	....

‡Basis of price quotations is as follows: cattle—steers, good, over 1,050 lbs., top price, Toronto; copper—electrolytic, New York; cotton—middling upland, New York; rubber—smoked sheets, spot closing, New York; silk—Japanese, 13-15, New York; sugar—96 degree centrifugal c/f New York; wheat—No. 1 Man. North., Ft. W.-Pt. A. basis; hides—heavy native steers; coffee—Rio, No. 7, spot, New York.

§Converted to U. S. dollar equivalent.

Canadian Business Indicators

Compiled by The Financial Post

	Weekly Latest 1932-33	1932-31	Cumulative Jan. 1 to date 1932	1931
Transportation—				
Car loadings (Jan. 21)	32,872	40,490	92,280	119,516
C.P.R. gross earn. (Jan. 21)	$1,922,000	$2,139,000	$5,071,000	$6,240,000
CN.R. gross earn. (Jan. 21)	$1,988,097	$2,625,985	$5,577,318	$7,498,464
	Monthly			
C.P.R. net earn. (Dec.)	$2,310,749	$3,590,562	$20,089,984	$25,424,766
C.N.R. net earn. (Nov.)	$1,038,581	$2,084,481	$10,164,170	$7,491,999
Iron and Steel—				
Pig iron, tons (Dec.)	27,031	13,862	144,130	420,038
Steel, tons, (Dec.)	30,755	20,969	342,788	672,109
Automobiles prod., No. (Dec.)	2,139	2,377	60,816	82,559
Automobile exports, No. (Dec.)	1,132	303	13,022	14,539
Construction—				
Building permits (Dec.)	$1,450,731	$7,895,106	$39,403,306	$112,222,845
Contracts (January)	$3,362,400	$12,738,300	......	......
Newsprint—				
Production, tons (Dec.)	138,682	165,173	1,907,566	2,221,454
Exports, tons (Dec.)	136,993	161,835	1,776,758	2,008,238
Sugar—				
Imports, raw, lbs. (Dec.)	22,371,400	46,338,100	674,635,900	798,359,500
Melt & ship, lbs.*	37,750,363	49,098,775	854,402,512	906,972,511
Manufactured, lbs.*	61,344,717	61,612,767	956,289,254	982,132,389
Flour—				
Production, bbls. (Nov.)	1,942,844	1,812,457	13,455,365	15,498,215
Wheat flour exp. bbls. (Dec.)	492,033	451,310	5,131,791	5,697,224
Other Industrial Indices—				
Lumbering: Plank & board exports, mill ft. (Dec.)	38.54	56.65	675.12	937.73
Boots and shoes, pr. (Nov.)	1,361,334	1,254,696	16,901,154	16,544,082
Petroleum, imp. crude, gal. (November)	51,710,000	93,140,000	857,037,119	955,553,901
Cotton, imp., raw, lbs. (November)	15,376,000	15,451,000	83,537,000	83,374,000
Rubber, raw, imp., lbs. (Nov.)	3,568,000	2,761,000	44,745,961	51,089,185
Coal, imports, tons (Dec.)	893,686	1,025,187	11,673,428	13,531,831
Gasoline sales, gals. (Sept.)	63,607,000	61,382,000	389,876,000	422,291,322
Trade—				
Imports (December)	$29,025,434	$40,289,795	$452,678,492	$628,098,386
Exports (December)	$42,615,796	$53,255,476	$493,916,338	$605,336,002
Wheat exports, bus. (Dec.)	27,735,999	22,355,975	228,220,755	194,924,865
Labor—				
Employment Index (Dec.)	83.2	99.1	......	......
Electric Power—Output—				
M. Kilowatt hours (Nov.)	1,447,857	1,415,020	14,445,123	14,951,256
Finance—				
Failures, No. (Nov.)	229	213	2,224	2,020
Failures, Liabilities (Nov.)	$4,342,717	$4,335,646	$38,849,423	$49,595,665
Bank debits† (Dec.)	$2,084,605	$2,638,122	$25,844,288	$31,586,468
Bond sales (Dec.)	$265,700	$1,910,260	$374,529,058	$611,037,497
Insurance sales (Dec.)	$33,483,000	$47,163,000	$403,923,000	$489,312,000
Automobile Financing:				
Used cars (Dec.)	$652,725	$1,003,073	$13,116,991	$21,071,707
New cars (Dec.)	$471,961	$823,881	$12,736,918	$20,869,547

*Four weeks' period, Dec. 10 to Dec. 31.

32nd Annual Meeting of the Shareholders of the

PROVINCIAL BANK OF CANADA

Review of Economic Conditions by Sir Hormisdas Laporte, K.B., P.C., President

Analysis of Financial Statement by Mr. Chs. A. Roy, General Manager — Report of Commissioner-Censors — Report of Hon. E. L. Patenaude, President of the Board of Commissioner-Censors—Mr. Alfred Lambert is elected Member of the Board of Directors and Mr. Geo. A. Savoy is made a member of the Board of Commissioner-Censors — The other Directors and Commissioner-Censors are re-elected.

The 32nd Annual Meeting of Shareholders of the Provincial Bank of Canada was held on the 25th of January, 1933, at the Head Office of the Bank, 221 St. James Street West, Montreal.

Were present:—Messrs. Z. Chesney, Joliette; L. Denis, Montreal; H. P. Cyr, St. Hermas; Hon. Raoul O. Grothé, Montreal; Chs. A. Roy, Montreal; Alphonse Raymond, Montreal; Geo. A. Savoy, St. Johns Iberville; Jos. Sirois, N.P., Quebec; S. J. B. Rolland, Montreal; Oscar Dufresne, Montreal; J. Brousseau, Montreal; Hon. E. L. Patenaude, Montreal; L. J. Codere, Sherbrooke; Victor Levesque, Montreal; H. Gerin-Lajoie, K.C., Montreal; Alfred Lambert, Montreal; Estate of P. A. Rivard, represented by Mr. Ed. Rivard, Outremont; Thomas Préfontaine, Montreal; J. L. Boulanger, Montreal; Hon. Cyrille F. Delâge, N.P., Quebec; J. E. Leduc, Montreal; P. F. Baillargeon, lawyer, Montreal; Adrien Jasmin, St. Laurent; J. E. St. André, Montreal; N. Ouellette & Fils, Montreal; J. A. Turcot, Montreal; Victor R. Blanchard, N.P., St. Hyacinthe; Paul Lacoste, K.C., Montreal; etc., etc.

After proceeding to the nomination of the scrutineers, the Board of Directors' report, consisting of the financial statement and operating account, was read to the meeting.

Review of the Economic Situation by Sir Hormisdas Laporte.

The balance sheet and profit and loss account for the fiscal year ended November 31st, 1932, the reading of which has just been made by the secretary, will be found satisfactory, we hope, considering the adverse conditions which have lasted during the whole year, and which have caused a further contraction of the banking business and the revenues therefrom, as a consequence of the continued decline in commercial and industrial activity.

The hope for improvement which was entertained last year has not materialized. The depression has continued its work, new complications have arisen causing a further drop in prices, resulting in a recurrent slackness in business activity, increasing unemployment and causing decided fluctuations in the rate of exchange.

A series of political and economic events has produced no general improvement. As last year, economic conditions of the Country are still influenced by the misunderstanding which exists between foreign nations. This fact has been very noticeable on the occasion of the favorable ending of the Lausanne Conference when a general feeling of optimism caused a renewal of activity which, however, has not been maintained.

The Imperial Conference held in Ottawa, in June and July, for the purpose of entering into commercial agreements with the different Countries in the Empire has had a stimulating effect on exports, resulting, happily, in our trade balance being favorable.

The last crop was plentiful, particularly wheat, which showed an increase of one hundred million bushels over that of the preceding year. The prices were not favorable, however, the numerical value showing no increase over that of 1931. Agriculture is still in a difficult situation, a surplus of cereals being left over from last year, which will very likely be the case again this year. Farmers are suffering through the prevailing low prices, the decline in sales, by a considerable decrease of buying power and, moreover, are embarrassed by the debts contracted when prices were high.

The building trade, which was comparatively active in 1931, has considerably slackened in 1932. Revenues have a downward tendency, landlords are delaying the payment of their taxes and those having payments to meet on fixed dates are exposed to endless embarrassment due to the difficulty in obtaining new mortgage loans.

The lumber as well as paper industries, which have been very badly hit two years ago, have not recovered, causing large sections of the Country to be under very difficult, not to say painful, conditions.

As to retail trade, the keenest of competition not having abated in cities, the situation for those with a small working capital has become very difficult. In rural districts, collections have become too slow. In several lines, the method of distribution is still too costly and prevents the consumer from procuring the goods he needs at prices reduced in proportion to the decrease in the prices of raw materials and production.

This situation is delaying the readjustment of a great many salaries to the level at which they should be.

Stock markets have been very badly shaken up at different times, exchange has varied very rapidly and stocks have been continually going down for several months. The bond market has also declined, with the exception of Government issues which have gone up within the past few weeks by reason, without doubt, of the good effect of the policy to pay foreign obligations in gold.

The loans contracted in the United States by the Government, Municipalities and Corporations increase their budgets considerably by reason of the premium to be paid on American funds.

In spite of the disappointments of the past year, the financial structure of the Country is reassuring, as we are the least affected of all countries so far, although we have been going through, for the past three years, the worst depression in Canada since 1877.

A more pronounced reduction of expenses should be made by our Governments and Municipalities and economy should be practised on a larger scale. Several concessions, which have been made in the past, have developed public exigencies which should be suppressed, in order to create a different view, and stop the movement of loading the state with everything and thereby causing it to be overburdened with financial and moral obligations which are not of its province.

The fight against unemployment should be conducted with other weapons than direct relief; we should go back to productive labor.

New corrective measures, with a view to re-establish social and political budgetary equilibrium, are necessary and urgent and strenuous efforts should be made for the re-establishment of normal conditions in many other places.

As we stand, the sooner the economic point of view has precedence over the political, a great progress will have been made towards the better conditions we have been so long wishing for.

We were grieved during November by the death of Hon. Narcisse Perodeau, L.C., who was President of our Board of Commissioner-Censors since 1923 and who had been Vice-President for four years (1919-1923) and Commissioner for four years also (1915-1919). We have lost an eminent and loyal associate whose attachment to our Institution was most sincere.

Hon. E. L. Patenaude, since 1923 a member of the Board of Commissioner-Censors, and who has filled the vice-presidency for the past nine years, has been appointed to succeed Hon. Narcisse Perodeau. He is replaced as Vice-President by Hon. Cyrille F. Delâge, Superintendent of Public Instruction of the Province of Quebec, who has been a member of the Board since 1927.

The new Commissioner-Censor is Mr. Louis Cote, K.C., M.P.P., and we have no doubt that this nomination will be agreeable to you.

The Commissioner-Censors, through their President, will submit their report to you in a few moments. Let us prove to them that they have executed their mandate faithfully and diligently. We are very thankful to them.

The General Manager will now submit to you the analysis of the Financial Statement.

For the Board of Directors,

(Signed) HORMISDAS LAPORTE,
President.

Analysis of the Financial Statement of the Provincial Bank of Canada by Chs. A. Roy, General Manager.

The Financial Statement which has been submitted to you shows, as did last year's, decreases in all departments. The crisis, which has increased very perceptibly, has spared no form of activity either industrial, commercial or agricultural and has been the principal cause of a more pronounced decline in activities nearly everywhere.

The operations of the Bank, needless to say, have been affected by this general contraction of business which has been, however, partly counterbalanced by the reduction of operating costs, with a view of adjusting them to present conditions. The profits have been slightly lower, but we consider them very satisfactory under the circumstances. These profits have been $454,659.12 compared to $467,439.72 for the preceding year. They cover entire dividends paid amounting to $350,000.00 plus usual appropriations which have been $101,600.00.

Following the policy adopted by several foreign institutions and recently inaugurated by other banks, our Directors have decided this year, as a precautionary measure, to transfer the sum of $100,000.00 to "Provision for Contingencies" which still leaves the substantial amount of $369,920.31 at the credit of Profit and Loss Account.

In accordance with the established policy of maintaining a large percentage of liquid assets, we had on November 30th last liquid assets amounting to $26,668,937.99 representing a percentage of 64.50% of our obligations to the public compared to 63% last year.

Call Loans which were $5,861,872.35 last year, are reduced to $4,738,597.64 due to a gradual drop in the price of stocks and the inactivity of the stock market. Commercial and industrial loans amount to $17,164,177.96 and are about $2,700,000.00 less than the previous year, this reduction being explained by the decline in business activity and the drop in prices, with the result that less capital is needed today than during the past years to do the same volume of business.

The purchasing power which had considerably decreased among all classes has shown a further contraction last year, particularly among the agricultural and salaried people classes. If the continuation of the crisis forces every one to adopt a strict policy of economy, which too many unfortunately had not practised for several years, it also forces those who had savings, to withdraw part of them from time to time for their absolute needs.

The high yield on bonds and mortgages has also incited several customers to invest part of their available funds in these securities.

The Savings Deposits, which were $39,681,727.50 last year, have decreased to $35,291,632.85. The reduction in the balances on deposit in current accounts is explained by the decline in business activity. The same applies to the decrease in the number of notes in circulation which varies according to business conditions.

We have, in the course of the past year, closed five sub-agencies and three branches, and most of these closings have been decided on following arrangements made with other institutions, in places where there were not sufficient business for two bank branches. No new office has been opened during the last fiscal period.

I am pleased and appreciative of the co-operation and loyalty of the Officers and employees of Head Office and Branches, in the execution of their duties during the past year, and also congratulate those that have followed special courses, in view of better qualifying themselves for their position. I make it a duty also to thank all those who have favored us with their patronage or helped us in any way whatsoever.

The economic, financial and political situation is still far from the normal. Continuous efforts are being made, however, towards the lessening of the effects of the crisis and the finding of a way to stability, which seems to be the objective to be reached first.

On two or three occasions during the past year, temporary returns to activity have manifested themselves: for instance, during the past months, some industries have operated on a larger scale than during the preceding month, and even the corresponding months of last year. Although it is impossible to foresee how far this recovery will continue, the hope entertained today seems to be more justified than it was last year. The delays in bringing to a conclusion final agreements regarding war debts, seem, again this year, to be one of the principal causes of the fear which exists mostly everywhere and which maintains inactivity.

There would be a distinct advantage to return, as soon as possible, to the free functioning of the natural laws which regulated economic activities in the past, in 1912 and 1913 for instance, such as the free operation of supply and demand, which determines prices and regulates production, the liberty of trade and of exchange and the free movement of capital.

The curtailment of public expenditures everywhere, the fulfilment of contracts which would revive confidence, and the gradual cancellation of restrictions of all kinds would be constructive measures towards general improvement.

The proposal already put forward, and given consideration in certain quarters, regarding the establishment of a central bank, or to attempt currency inflation, do not seem to have any other objective than to enable one to obtain loans on terms other than those on which they are generally granted by banks, inasmuch as the financial standing of the borrowers warrant. The nature of the business the banks are authorized to transact and which is clearly defined in the Bank Act, is the outcome of a long and valuable experience. It would seem dangerous, either as an experiment or to satisfy certain groups, to modify the present system before the necessity for making a change is well defined, the principles now in force having, up to the present, given very good service in satisfying legitimate needs.

Economic and financial questions being among those which constitute the basis on which our future will be established are far more important than periodical political interests which have delayed, and appear to be still delaying, the conclusion of arrangements which would restore general confidence.

Let us hope, nevertheless, that the efforts made towards the restoration of normal economic conditions will not have been in vain, and that the experience will teach us practical lessons which will guide us in future.

Report of the Commissioner-Censors

We respectfully submit the thirty-second report of the Board of Commissioner-Censors.

We have held our meetings regularly. The documents, vouchers and other information we have requested in the exercise of our functions have always been furnished readily.

We have verified the securities belonging to the Bank and have ascertained that the amount of the Call Loans added to cash on hand and in bank has always been in excess of the amount required by your By-Laws.

During the period just ended, our Board has been very deeply affected by the death of Hon. Narcisse Perodeau, L. C., who had been our President for the past nine years.

The new Commissioner named is Mr. Louis Cote, Barrister, Member for Ottawa-East, in the Ontario Legislature. It is the first time a member of our Board was chosen outside the Province. We are very pleased with this acquisition and extend Mr. Cote, in your name, a most cordial welcome.

We note with pleasure that the results for the year just ended, have been satisfactory.

We ask you to kindly accept the reports which have just been submitted to you and which are proof that your Institution enjoys the confidence of the public in the four Provinces where it operates.

Election of the Board of Directors and of the Board of Commissioner-Censors

The Board of Directors is composed as follows: President: Sir Hormisdas Laporte, K.B., P.C.; 1st Vice-President: S. J. B. Rolland; 2nd Vice-President: M. H. Gérin-Lajoie, K.C.; Directors: Messrs. Oscar Dufresne, Jos. Sirois, N.P., L. J. Codere, Chs. A. Roy, Alphonse Raymond, Alfred Lambert.

The Members of the Board of Commissioner-Censors are: President: Hon. E. L. Patenaude; Vice-President: Hon. Cyrille F. Delâge, N.P.; Messrs. J. L. Fortin, Hon. Raoul O. Grothé, L.C., Louis Coté, K.C., M.L.A., Georges A. Savoy.

Business Briefs

Average Value of the pound sterling for special duty purposes, declared by the Department of National Revenue, is $3.86 effective for entries during the period Feb. 1 to 15, 1933.

Car Loadings for the week ended Jan. 21 amounted to 32,872 cars, an increase of 246 cars over the previous week but less than the normal seasonal increase, the index number dropping from 59.73 to 58.44. Lower loadings in the Eastern division is responsible for the decrease.

Canadian Wheat Stocks at Jan. 20, amounted to 229,484,355 bu., a reduction of 1,516,399 bu. from the previous week and compared with 196,835,031 bu. in the same week of 1932.

Failures under the Bankruptcy Act for the week ended Jan. 21, 1933, numbered 42 compared with 54 in the corresponding week of 1932. Failures during the first 21 days of the year number 123, a decrease of 39 or 24 per cent from 1932.

Galvanized Sheets produced in 1932 amounted to 27,728 tons compared with 41,720 tons in 1931.

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Address 273

Hopeful of Lasting Results From Imperial Conference

Canadian Exporters Must Study The British Market

Constructive Addresses Delivered by Mr. C. A. Bogert, Vice-President and General Manager, and Mr. C. H. Carlisle, a Director, at 62nd Annual Meeting of The Dominion Bank

Immediately Available Assets 57.58 Per Cent of Public Liabilities — Earnings Well Maintained

"Canadian Banks Have Fulfilled Their Functions Most Creditably."

The Annual Meeting was largely attended, and in the absence of Mr. A. W. Austin, the President, the chair was taken by Mr. C. A. Bogert, Vice-President and General Manager.

Mr. C. A. Bogert, Vice-President and General Manager, addressed the meeting.

Mr. Bogert made feeling reference to the death in June last of Mr. C. S. Blackwell, LL.D., Chairman of the Board, and of Mr. F. L. Patton, a Director and former officer of the bank, associated with its western activities for many years.

Probably all financial institutions conducted their affairs during the past year under conditions more difficult than at any time in the country's history. This Bank, of course, is no exception, but under all the circumstances, your Directors feel that the report which is presented today for your approval, has many favourable features.

The Assistant General Manager has commented in detail on the Balance Sheet, which is before you, and I shall only make very brief references to it. The earnings show a moderate decrease and deposits were at satisfactory levels, but the outstanding feature of the Statement is the large percentage of the Bank's assets that are of a liquid character.

Little Indication of Improvement.

Those who addressed you at the last Annual Meeting were, perhaps, wiser than they knew when they refrained from expressing definitely any prediction as to when we might look for more prosperous times throughout the world, and in Canada particularly. As it happens, after another twelve months have passed, there are still many clouds on the horizon.

By way of contrast to the conventional optimism expected at Annual Meetings nowadays, some of my remarks are intended to strike a different note because many people are still inclined to ignore distasteful facts. To my mind there has been little or no indication of actual business improvement since we met in this room one year ago.

A Long and Painful Process.

Agriculture, lumbering, pulp and paper, fishing, mining (with the exception of gold), building construction and manufacturing all present a picture of flagging industry, low prices and unemployment. Aside from the Imperial Conference—a fine conception of Canada's Premier, from which we are hopeful of lasting results—and the coming International Economic Conference, and to these I will add the invitation extended just a few days ago by the United States Government to Great Britain for a discussion of the war debt problem to take place at Washington early in March, no action so far taken by any nation or Government has done much to start the world on the way to recovery. This is plain speaking; I do not wish to be understood as thinking the case without remedy, but only as expressing the conclusion, reluctantly reached, that the curing of our ills may be a long and painful process. Sugar-coated pills are ineffective for present-day ailments—bitter medicine is necessary.

Must Live Within Means

With the world saturated in debt, public and private, how can we expect much better times? As far as Canada is concerned, one thing is as clear as daylight—the Dominion and Provincial Governments of this country, the municipalities, railways, corporations, business-men, families and individuals must balance their budgets and live within their means. Regardless of what measures may be necessary to accomplish this end, or how drastic the sacrifices may be, the age of excessive borrowing must definitely cease and the era of repayment begin.

Notwithstanding every warning, some of our Governments and local bodies still appear to be seeking new ways of spending money, and the unwillingness of the public to buy is about the only check there is on the issue of fresh securities. Just now it is an effective one, but any change to a receptive market is certain to bring out willing borrowers, unmindful of what they already owe.

Strict Control of Borrowing Powers

Federal aid has been necessary for some of the Provinces and many municipalities are in difficulties; there is surely a lesson in this—the borrowing powers of all public and private bodies should be overhauled and a stricter control applied. Canada should take heed of the experience of other countries also. A few weeks ago the largest City on the American Continent was within half an hour of default, until its Bankers' conditions for additional credit were accepted by an unwilling administration, these conditions being a sharp reduction in expenditures.

Railway Situation.

The Duff Report is now before the people, who are at last beginning to realize how serious the railway situation really is. Some form of cooperative management of the two roads will undoubtedly have to be put into practice at an early date, and stern business-like economy applied. Track abandonment on a large scale is now under consideration and, let us hope, will become a fact. A distinguished authority has said that 5,000 miles of duplicated tracks could be scrapped without inconvenience to the public and $64,000,000 saved annually, which is about what the Canadian National is costing the country every year.

Postpone St. Lawrence Waterway

Whatever merit there may be in the St. Lawrence Deep Waterways for the future, there is little to be said in its favour at this time. Apart from the enormous expenditures involved, concerning which the various estimates are as wide apart as the Poles, its construction now would be almost the last blow to the railways—fortunately indefinite postponement of the work appears probable.

Dominion of Canada Loan

The Dominion of Canada 4 per cent Loan of 1932 was the first Dominion Government offering in many years that did not sell readily; it hung fire for some days, special appeals, public and private, being required to obtain a full subscription list. Criticism of the 4 per cent coupon rate was general, and although the selling price showed a 4½ per cent yield, the public apparently thought it should be higher. The Government, however, very wisely recognizes that the country cannot go on paying war time rates in times of peace.

A Lower Interest Rate

There will have to be another refunding operation this year and people must be prepared to accept a smaller return on the new bonds. As a matter of fact, it is not unreasonable to think that a lower interest rate would be beneficial all around —certainly to the taxpayer, and to the investor as well, if through it the budget is balanced. When that is effected—but not until then—prices of Government securities should logically rise on the principle that a sure 3 per cent or 3½ per cent is better than a doubtful 4½ per cent or 5 per cent.

Creditably Fulfilled Functions

The decennial revision of the Bank Act due this year, but postponed until after the coming World Economic Conference, will be taken up by Parliament in 1934, when I sincerely trust it will be recognized that the Canadian Banks have fulfilled their functions most creditably under the present Act and met the test of an extremely eventful and stormy period. Let us remember that the first responsibility of a Bank is to its noteholders and depositors; their interests have been fully protected throughout, and consistent with that, the needs of the legitimate borrower have been supplied. After all, what are the Canadian Banks doing? They have given their loyal support to every Dominion of Canada loan and have assisted the Provinces and Municipalities; they have aided the manufacturers and general business, as usual; they have been staunch financial allies of all branches of agriculture from one end of Canada to the other, exercising—and quite properly so—great leniency in innumerable cases of farmer borrowers who, through no fault of their own, are unable to meet their obligations.

Somewhat in Disfavour.

Notwithstanding all this, the Banks are to some extent in disfavour, even in sections where agricultural loans to a very large total are in arrears, as to interest as well as principal. Why not let the Banks alone? After all, they have made a pretty good job of it and will go on doing so. They have the experience, equipment and resources and, what is more, the people of this country have confidence in them.

A Central Bank.

It is claimed that what Canada needs is a Central Bank. What is meant by this? What are the functions of such a Bank and what would be the benefit to Canada? Briefly, a Central Bank is a Bank of Rediscount for other Banks, and has no direct dealing with the public at all. It is virtually an arm of the Government, holding and protecting the gold reserves of the country, issuing and controlling the paper circulation and handling the Government loans and account. It is charged with the responsibility of setting the key rate of the money market—the rediscount rate for prime bankers' bills — to which are linked the rates paid for deposits and charges for commercial loans; upon its policy in this last function depends the ebb and flow of fugitive liquid capital always seeking short-term employment wherever the highest ruling rates can be found.

Not Necessary in Canada

A Central Bank is a necessary attribute to such International markets as London, Paris and New York, and perhaps one or two others, but Canada has no money market in that sense and there seems to be no purpose in setting up the machinery for one. Canada is, and for a long time will be, a constant borrower—she is never a lender—and the International banking function cannot be hers. In the United States the Federal Reserve Banks supply the rediscount and circulation requirements of more than twenty thousand separate unit Banks, but in Canada there are only ten Banks and their seasonal rediscount needs are always adequately provided for by the facilities of the Finance Act, and with a substantial and welcome profit to the Government. A Central Bank could not increase the supply of banking credit by one dollar, nor should it alter the vital principles that surround the lending of money, viz., that the applicant's character and responsibility, together with the security offered, must be satisfactory to the lender.

Branch Bank Service

Another important feature is that circulation requirements have for many years been amply taken care of by the chartered Banks through their some 3,780 branches, and in fact note circulation is the very foundation of the branch system. Would the country be any better off if the present notes were replaced by those of a Central Bank? I doubt it. At the present time there is scarcely a community in Canada of even a few hundred people, that is not served by at least one Bank, and it is no secret that notwithstanding the introduction of many new economies, hundreds of branches are not earning operating expenses.

Means a Reduction in Service

Already many of them have been eliminated—192 last year—and others will have to be discontinued owing to decreasing revenue and increased taxation; if the note issuing privilege were taken away from the Canadian Banks and they were compelled to lock up a very large amount of capital in Central Bank notes for "till money," without interest, it would undoubtedly mean a further heavy reduction in banking service in Canada, with great inconvenience to the public.

Throughout this depression, the Canadian Banking system has functioned so quietly and efficiently as to win praise from many other countries, and competent observers in the United States do not hesitate to pronounce it much superior to their own.

Inflation of the Dollar

A recent pronouncement of the greatest importance by the Prime Minister of Canada on the subject of inflation, was courageous, timely and instructive. It should do much to further strengthen the credit of the country at home and abroad. There has been entirely too much loose, ill-informed talk about currency inflation in Canada, and it is not surprising that bankers and investors in the United States and elsewhere have been somewhat disturbed about it; they may now be assured, however, that there is little danger of Canada entering upon this dangerous course and that the maintenance of her present still high credit standing will remain the keynote of her fiscal policy.

This year Government obligations alone, omitting those of Corporations, amounting to $62,000,000, payable in New York funds, total about $204,000,000, upon which the premium at the present rate approximates $30,000,000, all of which, of course, falls upon the taxpayer. Some inflationists do not consider this fact important, claiming that in any case foreign payments have to be made from the gold value of exports and what the Government loses by exchange the exporter gains, so that Canada as a whole loses nothing. They therefore favour depreciating the dollar to the level of the pound sterling, which would, they say, enable Canada to increase her exports, stimulate her home trade, reduce unemployment and ultimately raise the internal price level, bringing commodities and debts into better balance, so that business would again be prosperous, and thus return to the public treasury a greater revenue in taxation than the additional exchange premium.

To Keep Step in Inflation

This sounds like an attractive solution, but it is not as easy as it seems, for it is always open to other countries to keep step with Canada in inflation or to increase their tariffs, thereby blocking any trade advantage to this country. The history of inflation is that once it begins it is impossible to control. The difference between the present exchange premium of 15 per cent. and the 50 per cent. which would exist if the dollar were inflated to a parity with the pound would mean an additional $75,000,000 at least for the Governments to pay, and business profits would certainly have to increase vastly to provide for this through taxation.

Reflection of a Free Market

The present exchange situation is regrettable, but cannot be helped. The discount on the dollar, although substantial, is a true reflection in a free market of conditions as they are, and Canada's creditors recognize the honesty of her intentions. Artificial inflation, however, is another thing altogether, and were she to take this step confidence in her would be gone.

One of our cities recently took the extremely ill-advised action of refusing to pay a large amount of New York obligations except in Canadian funds, with an immediate and probably permanent adverse effect upon its own credit and possibly that of the whole country.

Foreign Trade

I need not burden you with actual figures of Canada's foreign trade, which, naturally, shows a large shrinkage since a year ago, but an important point is that the balance has been in our favour for each of the last seven months, and the net showing for the last calendar year is favourable.

This is a good sign, reflecting reduced imports—the result of depreciated exchange — and also determination to dispose of our grain despite low prices. By no means am I advocating one-sided commerce—all sales and no purchases—but Canada's heavy annual maturities and interest on external debt must be met, and we must depend almost entirely upon the surplus in trade account, tourist traffic—which, incidentally, is rapidly declining — and gold from the mines.

Gold Discoveries

Gold discoveries have helped to provide a cure for depressions in the past; for instance, California in 1849 and the Yukon in 1898. Canada's gold mining industry is at present her most valuable asset, the production last year is estimated at about $65,000,000 as compared with $55,000,000 in 1931.

A great deal of prospecting is going on and doubtless the output will continue to expand. For some years the Ontario Government has offered prospectors free education in the rudiments of their calling, and we now have in this Province as fine a body of mining pioneers as can be found anywhere in the world.

Study British Markets

The full effects of the Imperial Conference at Ottawa last July are yet to be seen, but the opportunities are now open and ultimate benefits, both to the Mother Country and the Dominions, may be expected. Canadian exporters, however, must study the British market, realizing that its standards are high and competition keen. Off-quality, badly packed produce is not wanted, and ill-conditioned cattle and hogs will not do. The many complaints heard about such matters are justified.

Canada's Trade Treaties.

Canada, amongst other arrangements, has completed favourable trade treaties with the three great sister Dominions, New Zealand, Australia and South Africa, where Trade Commissioners on the ground are not only willing, but anxious to assist Canadian manufacturers in entering new and profitable markets.

The Canadian market should also be studied by those who wish to share in it. British quality is taken for granted—there is none finer—but that alone is not sufficient. Merchandise must be suitable and, as well, available when wanted.

Women Demand Good Values.

Women are largely the "consumer buyers" in this country, as in most others. Although they like to buy the familiar proven article, they will buy what suits them, but they will not wait for long-dated delivery and are indifferent to any appeal that does not include full value for the money expended. United States periodicals carrying attractive advertising matter circulate so widely in Canada that our domestic standards are mainly the same as that country's and to obtain a place in the Canadian market the British exporter must direct his salesmanship largely to the women of Canada, remembering that his chief competitor lives next door to the customer.

World Economic Conference.

The coming World Economic Conference also offers great opportunities to accomplish something really tangible. **Surely** all Nations are by now sufficiently chastened by adversity to willingly drop some part at least, of their insularity and think of the common good. **Surely** creditor Nations must now realize that the overwhelming war obligations of debtor countries must be cancelled or greatly modified and the apparent change in attitude of the United States Government already referred to is an extremely favourable sign. **Surely** delegates will go prepared to give as well as take, and granted that much, a reasonable measure of success in the way of removing trade obstacles and settling exchange problems is probable.

No Fears of Ultimate Future

Once more I would emphasize that progress may be slow, but the steadfast, virile character of the Canadian people has met the test of adversity splendidly and we need entertain no fears as to the ultimate future. Supplies of manufactured goods are low and consumers' demand is gathering strength; returning public confidence will eventually release a great general buying power and then inroads upon accumulated raw material will begin; the employment of many now idle will be restored; in short, the wheels of commerce will gather momentum. When that day dawns it will be found that Canada is ready and able to proceed on her forward course all the better for her trying experiences. As you will observe by the Statement submitted today, The Dominion Bank is in excellent shape to do its part in supplying the legitimate Banking needs of its clients whenever trade revives.

Gentlemen — I beg to Move the Adoption of the Report.

The address of Mr. C. H. Carlisle

The Chairman, in moving the adoption of the Report, has called your attention to some of the troublesome conditions that are confronting us at the present time, and which conditions must be remedied. I commend him for so doing.

Unsound Optimism

Since the decline in business the latter part of 1929, there has been a tendency to minimize the gravity of the conditions and little serious effort has been made to ascertain the underlying facts that are disturbing our commercial and political conditions. As early as 1930 statements were made, even by leaders in industry, that the bottom of the depression had been reached, that we were well on the upward grade and that 1930 would show as great or greater activity than 1929. The press even, with helpful intentions, endeavoured to create a spirit of optimism that would aid in solving our problems. I believe that this had a tendency to mislead and cause the people to expect something that would not or could not occur.

Much Must Be Accomplished in 1933

We are all aware of the fact that there is a great deal of dissatisfaction among all classes of people and business in nearly all countries of the world, or in other words conditions are extremely unsatisfactory. That being true, gives us no excuse for being discouraged, but on the other hand should stimulate us to quick and determined action to solve our problems and to rapidly establish stability within, between and among the different nations and people. I am of the opinion that it is necessary to accomplish much this year and also of the opinion that much will be accomplished.

Adjustment of Debts Essential

The world is labouring under four hundred billion dollars of indebtedness, and before we can reach stability it means a radical adjustment of these debts. Reparations were assessed at thirty billions, they have been scaled down to seven hundred and fifty millions, and these amounts will have to be further adjusted downward. Many of the countries have internal indebtedness, which at this time is beyond their ability to pay, and especially since the basis of taxation has so materially decreased, such as incomes, volume of sales, etc. The internal indebtedness must be dealt with and economies established, because the practice of borrowing money to pay interest and principal on borrowed money can not successfully become a permanent practice. Neither can we, through excessive taxation, confiscate earnings and property that will in turn impair our commercial activities and put a greater burden upon labour.

International Exchange

Export business has been seriously affected and in many cases made impossible, as at this time there is no means of settlement, that is, we have no adequate form of exchange. Canada has suffered severely in many countries of the world due to this condition. The South America markets are practically closed to us, as they have not the gold with which to pay, and we can not use their products therefore, it will be necessary to establish trade conditions between and among nations, whether we resort to gold standard or other means. At the present time the gold standard has proven itself inadequate.

The Competition of Low Wage Nations

Another condition I call to your attention is that of competition from the nations whose labour is paid a very low wage. I am inclined to the opinion that this competition will increase very rapidly and will be one of the most difficult problems with which the western continent will have to contend. The world has become exceedingly small through almost instantaneous communication. A generation ago it took the greater part of a year to communicate with the far East, transportation was slow, carrying capacity small and to-day it is speedy with large cargoes.

Japan and China Trade Competition

These low priced labour nations, such as Czecho-Slovakia, Japan and China, are turning out highgrade merchandise, they have introduced modern machinery, which they operate efficiently and wages are being paid as low as 14 cents per day. The Japanese and Chinese have established and likely will continue to establish factories in the Federated Malay States where they can get the benefit of the British preferentials, and under these conditions Canadian labour and Canadian manufacturers can not compete, therefore, some means will have to be taken for the protection of the nations whose standard of living is higher than that of Japan and China.

All of these international problems admit of solution. The different countries have statesmen sufficiently able to adjust these matters, but what we need is immediate action to see that they are adjusted on an equitable basis. Further waiting may prove disastrous.

Canada's Major Ills

As to our own country, we have not much of which to complain. We seem to have two major ills, one is our present very large indebtedness, the other is our railway situation. To my mind the railway presents the more serious problem. The Canadian National Railway has been and is a great drain on our finances and is putting a very heavy burden upon our people and it would appear unnecessarily so. Our present Government is to be congratulated on the steps it has instigated to remedy this condition. In extreme conditions we usually have to apply extreme measures for correction. I, personally, can see but one way for immediate effectual relief and that is consolidated management of our railway systems, under the supervision of a competent, experienced railroad executive, and further supervised by a small Governmental Board, composed of men with experience and ability, whose interest would not be political, but that of our country.

The Cost of Government

I take it that the Municipal, Provincial and Dominion Governments are fully aware of our situation and using extreme economy in adjusting our affairs to our present necessity. It is the things that we have done, not the things that we are doing that have brought about our present conditions. The cost of Governments have recently increased by leaps and bounds. Our ordinary expenditures of the Dominion Government have increased per capita since 1913 from $36.72 to $88.68 in 1931. Since 1904 to 1931 our population has increased 78% and our expenditures have increased 666%. Our Governments in 1931 cost us 216% of the value of all field crops. In 1914 it cost us $5.80 per capita for educational purposes, in 1931 it cost us $16.00. For protection of persons and property in 1914, as compared with 1931, it shows an increase of 249 4-10% or nearly seven times the rate of increase in population.

It is not necessary to multiply these examples of what seems to be excessive and unwarranted costs in Government, what we need and must have, is more economic administration.

We Will Emerge Wiser and Stronger

Of all nations, Canada has the least to fear from the depression. It has an enormous wealth, the greatest per capita wealth of any nation in the world, it has an excellent form of Government, a highly intelligent people, its lands are productive and its mineral wealth is great, although its value is not fully known at this time. Its financial institutions have stood the acid test since 1929 and are in a sound, safe and excellent condition and our relationships with other peoples are amicable. Canada of to-day is largely the result of the intelligent efforts and toil of those who have preceded us, and it is our duty and charge to preserve that which we have and to see to it that our institutions are not interfered with and our laws violated in an attempt by others to establish conditions that are foreign to our national life.

We will unquestionably emerge from our present conditions, a wiser and stronger people.

The following were re-elected as Directors of the Bank: Messrs. A. W. Austin, C. A. Bogert, C. H. Carlisle, R. Y. Eaton, R. J. Gourley, E. W. Hamber, John M. Mackie, Wilmot L. Matthews, R. S. McLaughlin, W. W. Near, F. Gordon Osler, J. Allan Ross, C. O. Stillman and H. H. Williams.

At a subsequent meeting of the Directors Mr. C. A. Bogert was elected President, Mr. C. H. Carlisle Vice-President, and Mr. A. W. Austin Chairman of the Board. Mr. Dudley Dawson was appointed General Manager.

THE DOMINION BANK

Sixty-second Annual Statement

PROFIT AND LOSS ACCOUNT

Balance of Profit and Loss Account, 31st December, 1931		$ 465,209 22
The Net Profits for the year ended 31st December, 1932, amounted to		1,179,931 04
		$1,645,140 26
Which amount has been disposed of as follows:		
Dividends (quarterly) Nos. 198 and 199 at Twelve per cent. per annum	$ 420,000 00	
Dividends (quarterly) Nos. 200 and 201 at Ten per cent. per annum	350,000 00	
	$ 770,000 00	
Contribution to Officers' Pension Fund	50,000 00	
Dominion and Provincial Government Taxation	214,367 07	
Written off Bank Premises	50,000 00	
		$1,084,367 07
		$ 560,773 19
Provision for depreciation in Securities		250,000 00
Balance of Profit and Loss Account carried forward		$ 310,773 19

GENERAL STATEMENT

31st December, 1932

LIABILITIES

Capital Stock paid in			$ 7,000,000 00
Reserve Fund		$ 9,000,000 00	
Balance of Profit and Loss Account carried forward		310,773 19	
Dividend No. 201, payable 3rd January, 1933		175,000 00	
Former Dividends unclaimed		923 50	
			9,486,696 69
Total Liabilities to the Shareholders			$16,486,696 69
Notes of the Bank in Circulation		$ 5,832,230 50	
Deposits not bearing interest	$16,713,773 41		
Deposits bearing interest, including interest accrued to date	79,346,873 04		
		96,060,646 45	
Advances under the Finance Act		1,500,000 00	
Balances due to other Banks in Canada		393,628 43	
Balances due to Banks and Banking Correspondents elsewhere than in Canada		1,128,410 26	
Liabilities not included in the foregoing		265,032 54	
			105,179,948 18
Letters of Credit Outstanding			1,250,393 17
			$122,917,038 04

ASSETS

Gold and Silver Coin, current	$ 624,979 98	
Dominion Government Notes	11,853,104 10	
Deposit in the Central Gold Reserves	400,000 00	
Notes of other Banks	678,585 00	
United States and other Foreign Currencies	37,825 29	
Cheques on other Banks	4,936,426 42	
Balances due by Banks and Banking Correspondents elsewhere than in Canada	2,710,461 30	
	$21,241,382 09	
Dominion and Provincial Government Securities, not exceeding market value	22,407,342 19	
Canadian Municipal Securities, and British, Foreign and Colonial Public Securities other than Canadian, not exceeding market value	4,751,463 17	
Railway and other Bonds, Debentures and Stocks, not exceeding market value	2,824,456 28	
Call and Short (not exceeding thirty days) Loans in Canada on Stocks, Debentures and Bonds and other Securities of a sufficient marketable value to cover	8,023,517 00	
Call and Short (not exceeding thirty days) Loans elsewhere than in Canada on Stocks, Debentures and Bonds and other Securities of a sufficient marketable value to cover	995,895 10	
Deposit with the Minister of Finance for the purposes of the Circulation Fund	324,825 00	
		$60,568,880 83
Other Current Loans and Discounts in Canada (less rebate of interest) after making full provision for all bad and doubtful debts	$53,644,902 27	
Other Current Loans and Discounts elsewhere than in Canada (less rebate of interest) after making full provision for all bad and doubtful debts	834,004 96	
Non-Current Loans, estimated loss provided for	398,326 56	
Bank Premises, at not more than cost, less amounts written off	5,980,000 00	
Real Estate other than Bank Premises	71,435 17	
Mortgages on Real Estate sold	25,565 72	
Other Assets not included in the foregoing	143,529 36	
		61,097,764 04
Liabilities of Customers under Letters of Credit, as per contra		1,250,393 17
		$122,917,038 04

A. W. AUSTIN, *President.* C. A. BOGERT, *General Manager.*

AUDITORS' REPORT TO SHAREHOLDERS

We Report to the Shareholders of The Dominion Bank:—

That we have examined the above Balance Sheet as at December 31st, 1932, and compared it with the books and vouchers at Head Office and with the certified returns from the Branches. We have obtained all the information and explanations that we have required, and in our opinion the transactions of the Bank which have come under our notice have been within the powers of the Bank.

In our opinion the Balance Sheet discloses the true condition of the Bank and is as shown by the books of the Bank.

A. B. SHEPHERD, C.A.,
of Peat, Marwick, Mitchell & Co.
W. D. GLENDINNING, C.A.,
of Riddell, Stead, Graham & Hutchison.

Toronto, January 16th, 1933.

SUGAR REFINERS ACTIVITY IN 1932 ON STEADY BASIS

Technical Position at Year End Shows Little Change

From Our Own Correspondent

MONTREAL. — Manufactures and shipments of refined sugar during 1932 showed a slight drop from the previous year but the decline is so small as to be almost negligible in considering operations of companies such as Atlantic Sugar Refineries and Acadia Sugar Refining Co.

Manufactures totalled 956,289,254 pounds, down 2 per cent from 1931 and shipments were off less than 1 per cent at 936,716,514 pounds. Imports of refined sugar were lower by nearly 17,000,000 pounds at 3,786,600 pounds and exports dropped 5,900,000 pounds to 9,048,300 pounds.

Reflecting the decilne in shipments, stocks of refined sugar on hand at the end of the year were higher totalling 194,557,820 pounds against 174,985,080 pounds at the end of the previous year. Stocks of raw sugar were also higher at the end of 1932 amounting to 109,232,138 pounds compared with 98,423,253 pounds. Technical position of the industry, on this basis, therefore does not show much change from the beginning of 1932.

December Activity Held

Operations in December, 1932, compared favorably with those of the same month in the previous year. Total manufactures were marginally lower at 61,344,717 in the four weeks of December and shipments were higher by 6,600,000 pounds at 55,621,291 pounds.

A feature of December activities was importation of 21,431,700 pounds of sugar above No. 16 D.S. in color; in the same month of 1931 there were no imports under this classification. Total imports for the year in this division were up 57,500,000 pounds at 189,929,200 pounds.

HALIFAX HARBOR HAS ACTIVE SEASON

Small Decline in Traffic Last Year Compared With 1931

From Our Own Correspondent

MONTREAL.—Halifax Harbor Commisioners report that in 1932 the number of vessels entering and clearing the port totalled 5,839 with a net registered tonnage of 8,380,806. This compares with 6,138 vessels with a net registered tonnage of 8,982,217 for 1931.

The total cargo tonnage handled through the port in 1932 amounted to 1,456,323 as compared with 1,591,066 for the corresponding period last year. It is interesting to note that the larger decrease in cargo tonnage is reported from privately-owned piers, the decrease being 109,812 tons or 12.4 per cent, as compared with a decrease of 24,931 tons, or 3.4 per cent at the Harbor Commissioners' piers.

Atlantic Trade Grows

Details of the movement of the cargo tonnage by the major trade routes for the first eleven months of the year, are given in the report. It is noted that there is a substantial increase in the movement of cargo tonnage on the transatlantic route while there is no appreciable increase or decrease in the cargo tonnage moving between Newfoundland, West Indies, Canadian Atlantic coastwise, St. Lawrence River and Great Lakes, Asiatic, Mediterranean and South Pacific Ocean. A decided decrease is noted in the South American trade which is largely due to the diversion of corn shipments from the Argentine to South Africa, plus decreased shipments of crude oil.

Use Port Facilities

During the last half of 1932, the Port of Halifax felt the effect of the marked reduction in apple shipments from the Annapolis Valley. This was compensated, to some extent, by the increased utilization of Halifax by shippers throughout Canada.

The total number of passengers landed and embarked at Halifax during 1932 amounted to 52,238 as compared to 55,598 during 1931.

The quantity of mail handled inward and outward during 1932 totalled 113,403 bags as compared to 86,455 for 1931.

Value of Boots Produced Down 9.5 Per Cent in 1931

Leather footwear produced in Canada in 1931 amounted to 18,239,635 pairs, compared with 17,646,338 pairs in 1930, an increase of slightly more than 3 per cent. Owing to the low prices, however, the value was less than in the preceding year, totalling $36,625,565, compared with $40,478,911 in 1930, a decrease of 9.5 per cent.

There were 184 factories in Canada, of which 108 were located in Quebec, 62 in Ontario, seven in British Columbia, four in New Brunswick, two in Nova Scotia and one in Manitoba.

INDUSTRY FAVORS WATER SHIPPING IN ECONOMY MOVE

Canal Statistics Reveal Jump in Tonnage of Merchandise

Manufacturers are cutting distribution costs by using the relatively cheaper water route of the Great Lakes rather than the railways, an analysis of the traffic passing through the canal systems of the St. Lawrence and Great Lakes reveals. Despite reduced manufacturing production and lower demand for nearly all types of manufactured goods, the tonnage of a number of items carried through the canals increased in 1932.

Total traffic through both the Welland and St. Lawrence canals was greater in 1932 than in 1931 and, while wheat was probably the chief contributor to this gain, this is a commodity which is almost entirely moved by water and therefore any increase in trade is immediately recorded by the canals tonnage figures. With merchandise paper, pulpwood and gasoline, however, the gain in tonnage by the canals in 1932 has been made despite reduced production and at the expense of the railways.

Five Chief Gains

Tonnage of the five items which made the greatest gains in 1932 are shown in the following table for the Welland and St. Lawrence canals. Traffic through the Sault Ste. Marie canals is largely grain, iron ore and coal. Grain was greater in 1932 while iron ore and soft coal were less, the former falling from 24,260,000 tons in 1931 to only 3,607,000 in 1932 and the latter from 9,889,000 tons to 7,190,000 tons.

Welland

	1932	1931
	tons	tons
Wheat	2,926,509	2,146,418
Merchandise	302,306	287,277
Pulpwood	310,997	209,415
Gasoline	296,622	205,600
Paper	173,542	136,186

St. Lawrence

	1932	1931
	tons	tons
Wheat	2,710,894	1,947,319
Merchandise	592,303	384,610
Pulpwood	392,395	384,636
Gasoline	172,022	120,612
Paper	121,814	60,108

Ontario December Gold Output

Ontario's gold production for December totalled $4,135,536, which was the second largest on record, exceeded only by the output for June, 1932. The production for the year totalled $46,773,154 or $4,039,878 more than for 1931. These are the figures released by the Ontario Department of Mines and do not include exchange compensation. Two new mines have been added to the list of producers for December, bringing the total up to 19.

SECOND SECTION

THE FINANCIAL POST

SECOND SECTION

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Hydro Power Surplus In Ontario Market Over 300,000 h.p.

Exclusive of Abitibi Canyon Property, Five Years of Normal Growth Must Elapse Before Demand Overtakes Supply

SURVEY COVERS NIAGARA SYSTEM

Data Reveal for First Time Long-Term Growth of Power Demand in Ontario High-Tension Area — 8% Growth in Demand Needed for 13 Years to Absorb 1,000,000 h.p. from St. Lawrence

By KENNETH R. WILSON,
Business Editor, The Financial Post

HIGHLIGHTS OF ONTARIO HYDRO POWER SURVEY

Long-term Growth of major power-consuming area in Ontario for period 1911 to 1929 found to be 11.4 per cent per annum. Annual growth from 1921 to 1929 has been 10.2 per cent. Ontario power demand showed slump in 1930 and 1931 but gained in 1932.

Conservative Estimate of present power surplus of H. E. P. C. in Niagara system found to be 300,000 h.p. or 27 per cent of present load. In addition 330,000 additional h.p. will be delivered to Hydro in the next four years.

This Surplus Will Disappear early in 1937 if annual increase in demand for power approximates 11 per cent annually in next four years.

St. Lawrence Deep Waterway and other available sources would add additional 1,500,000 horsepower to potential H. E. P. C. supply by 1945 and bring total capacity to 3,000,000 horsepower.

This Surplus Would Also Disappear if increase in demand for power in Ontario were to approximate eight per cent annually for next 13 years.

Is there a hydro-electric power surplus in Ontario?

Many months ago, The Financial Post asked this question of F. A. Gaby, chief engineer of the Hydro-Electric Power Commission of Ontario and technical head of the $400,000,000 enterprise which serves nearly 600,000 consumers in Ontario and is considered to be the largest distributor of hydro-electric power in the world. Several important factors had made this question a particularly pertinent one.

First, there was the much-heralded fact that on October 1, 1932, Hydro took delivery of the first unit of its 250,000 h.p. contract with Beauharnois Light, Heat & Power Co. This was only part of the 567,000 h.p. to which Hydro had committed itself in 1929 and which was to be delivered in the following six or seven years. Of this total, 471,000 had been purchased power.

St. Lawrence Obligation Adds 1,000,000 Horsepower

Another equally disquieting factor was the announcement made last year that Hydro had signed an agreement with the federal government committing the Ontario Commission to an eventual obligation of $120,000,000 in payment for 1,000,000 h.p. to be available on completion of the St. Lawrence deep waterway. The third factor was the known decline in output of central electric stations. Although substantially less than the decline in other lines of industrial activity, monthly figures issued by the Dominion Bureau of Statistics showed 1932 output at about 15 per cent below the peak year of 1930.

Ontario Hydro had no ready answer to meet our request for information but they informed us that they were making certain studies along this line and assured us of their ultimate co-operation. A few weeks ago, the necessary data were made available and, last week, further material became available in the form of an exhaustive analysis of the situation by Mr. Gaby before the Ontario Municipal Electrical Association. This latter study is probably one of the most exhaustive and authoritative surveys of hydro-electric growth and resources that has ever been made in Canada. The survey applies, of course, only to Ontario but since Hydro generates about one-fifth of the total output of central electric stations in Canada, the study is of first-rate importance.

Many Demand Factors Peculiar to Electric Power

The problem resolves itself into the two vital considerations of demand and supply with a final restatement of the net result of a balancing of these two factors.

As to demand, it has been a distinctive phenomenon of the growth of hydro-electric power that new demand arising year by year is closely related to the aggregate of demands previously in existence. Thus, as the total load in any territory has grown, the annual increase in load has grown also and over long periods of time the annual percentage increase of load has shown a marked tendency to approximate stability. Thus, if at any time in the past, an attempt has been made to appraise future demand by simply projecting ahead the annual increase then prevailing expressed in terms of horsepower or kilowatt-hours increase per year, invariably the growth which actually materialized over a period of several years would have been grossly underestimated. A study of hydro-electric growth in, for instance, the United States, reveals a trend of increase in excess of 10 per cent per annum for more than 20 years, while similar data for Canada show an established trend in excess of 12 per cent per annum.

Another feature of the growth of demand for electric power has been the extraordinary manner in which demand has increased sharply following a period of depression. Thus, in the past any calculation which has been made on the basis of a temporary departure from a long term trend has led to considerable error unless regard has been had for the trend prevailing prior to the depression. Thus, in Canada, for instance, the average three-year increase of central electric station output since 1920 was 43 per cent, while the three-year increase starting from 1921—the year of depression—was 66 per cent. Similarly in the United States the average four-year increase for the period 1919-1929 was 44 per cent, but for the four years starting with 1921, the increase was 60 per cent. While this may not necessarily be a feature of the next five-year period due to the exceptional nature of the present world depression, the factor is, nevertheless, one which must be borne in mind in a study of this nature.

First Comparative Study of Ontario Power Demand

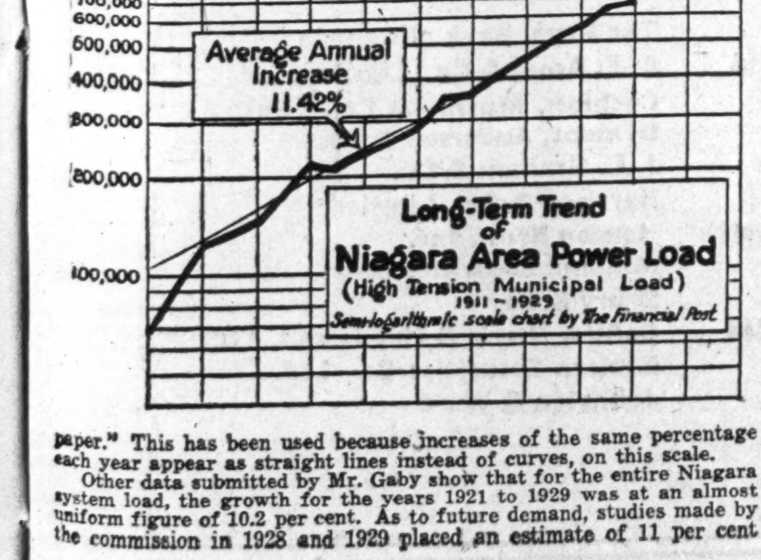
In Ontario, the findings now available, as a result of Mr. Gaby's investigations, are of considerable significance for they make available for the first time, strictly comparable data to show the actual trend of power demand in the Niagara territory of the commission which embraces the whole of western Ontario and extends as far east as Whitby and as far north as Lake Simcoe. This system carries over 80 per cent of the total Ontario load.

Briefly, this study reveals that on what is known as the "high-tension municipal load" which carries over 80 per cent of the total power load in the Niagara area, there was a steady and almost consistent growth in the period 1911-1929, of 11.42 per cent in the demand for hydro-electric power. To use Mr. Gaby's words, "The record constitutes a true index of the progressive growth of electrical demand which actually took place in the most populous parts of Ontario for this period."

Actually, the load growth of the Hydro power system itself has been much greater than 11.4 per cent but due to the existence of private companies in the field at various times this could not be taken as a true index of actual growth. The new figures are available since Hydro has now absorbed the last of the plants formerly operated under private ownership in this area, namely, Dominion Power & Transmission Co.

Semi-Logarithmic Scale Used for Analysis

The results of this study are roughly indicated in the accompanying diagram; this shows the actual trend of power demand on the Niagara high-tension municipal load which is the load supplied in that territory from the network of 110,000 volt lines. It will be noticed that this graph has been prepared on what is called "semi-logarithmic paper." This has been used because increases of the same percentage each year appear as straight lines instead of curves, on this scale.



Long-Term Trend of Niagara Area Power Load (High Tension Municipal Load) 1911 – 1929
Semi-logarithmic scale chart by The Financial Post

Other data submitted by Mr. Gaby show that for the entire Niagara system load, the growth for the years 1921 to 1929 was at an almost uniform figure of 10.2 per cent. As to future demand, studies made by the commission in 1928 and 1929 placed an estimate of 11 per cent as the probable growth for the high-tension municipal load in the Niagara system with an allowance of 10 per cent for probable industrial growth in the same area. "The overall estimated rate of growth," according to Mr. Gaby, "for the whole Niagara system load worked out to about 10.8 per cent per annum."

Possibilities of Saturation Discussed

One other vital feature of the demand for hydro-electric power which must not be overlooked is the question of possible saturation. This is a subject which caused much concern and discussion among engineers and economists, and while it is admitted that inevitably some slackening of the rate of growth of demand must eventually occur, not even the severe depression of the past three years has apparently been able to point conclusively to anything which would support the belief that such saturation will shortly occur. In this regard, the conclusions of Mr. Gaby, chief engineer of the Hydro system, are extremely pertinent. In his address last week, he said:

> "With a population increase in the Niagara system territory of about 2.8 per cent per year, it would seem inevitable that the increase in the demand for power must sooner or later diminish as a result of saturation or partial saturation. Nevertheless, an analysis of all the circumstances shows that it will be some time before the influence of saturation is likely to become a material check to load growth.
>
> "The records of the hydro utility, of Toronto, show that even throughout a period of depression there has been a noteworthy and continuous growth in connected load—a feature of great significance, especially because installed apparatus will doubtless be more fully employed under the demand of returning prosperity."

Growth in Connected Load of Toronto Hydro System

End of Year	Connected load horsepower
1925	584,182
1926	640,237
1927	711,744
1928	800,124
1929	898,364
1930	975,330
1931	1,049,392

> "Thus, the increase for the period 1925-31 is about 80 per cent.
>
> "There is yet a large potential market for electrical appliances of a class that will materially increase consumption. For example, in Windsor, there are some 14,400 domestic consumers and no less than 11,300 or 78 per cent of these consumers use electric ranges. In Toronto only 28,000 domestic consumers out of a total of nearly 150,000 use electric ranges, or less than 20 per cent.
>
> "Also, advances in the electrical art which create new uses for electricity and improved electrical appliances, increase the consumers' demands. As an indication of the growth in the use of appliances, the following table gives the estimated installed capacity of appliances in use among Hydro customers during the eight years ending 1931:

Growth in Installed Capacity of Electrical Appliances

End of Year	Connected load kilowatts
1924	806,900
1925	838,900
1926	992,600
1927	1,157,200
1928	1,297,300
1929	1,402,900
1930	1,462,000
1931	1,557,700

> "It has been the experience of the commission that, even during periods of depression, manufacturers continue to produce and to sell substantial quantities of power-operated equipment and appliances. Representative of the increased use of appliances during periods of depression, it may be stated that in 1931 there was an increase in the number of appliances in use among Hydro customers as follows:

Increased Use of Domestic Appliances in 1931

Domestic Appliances:	Increase in number in use in 1931
Electric ranges	9,240
Hot plates	8,400
Washing machines	12,900
Vacuum cleaners	8,900
Water heaters	4,300
Irons	15,000
Ironing machines	600
Refrigerators	5,000

Hydro's Relation to Newsprint

These remarks make no reference to possible saturation in the wider field of large-scale industrial and commercial undertakings. Those closely connected with the industry apparently share with Mr. Gaby the belief that in this field also, although eventually some slowing up in demand must occur, no indication of this is evident at the moment and that on the contrary and in spite of depressed conditions the new uses and demands for hydro-electric energy both for industrial and domestic load still continue on a satisfactory plane. Such major developments as electrification of steam railways and similar large-scale outlets are cited as probable potential uses of power if an acute permanent surplus develops.

Much has been heard of the effect of bankruptcy conditions in the pulp and paper field as affecting very materially the present and future demand for power. Although one-quarter of Canada's rated newsprint capacity is located in Ontario, the bulk of these plants develop their own power and Hydro's direct interest is confined to only three major newsprint customers, namely, Thunder Bay, Ontario Paper and Great Lakes Paper. Firm power demand from these three is probably between 65,000 and 70,000 horsepower which indicates that Hydro's concern in the newsprint field (outside the newly acquired Abitibi canyon property) is for the most part indirect in that if large power and paper concerns such as Abitibi are forced to close down due to financial and economic pressure, the large self-owned power plants of these companies might become potential competitors in the sale of their power.

How Hydro Provided for Demand

From demand, we next turn to the provision made by Hydro to meet present and future contingencies. It is perhaps worthy of mention here that the policy of Hydro has been to use whatever sources of power were most suitable to current needs, although at the present time the bulk of power used is generated in the commission's own plants. Thus, on total available capacity at the end of 1931 of 1,575,000 h.p., approximately 1,150,000 h.p. was generated by the company and remainder purchased from outside sources. This ratio will be considerably altered in four years time when purchases made in 1928 and 1929 are completed. These involve, as already mentioned, commitments of 567,000 h.p. of which 471,000 is purchased power. By that time, and exclusive of the Abitibi Canyon development, approximately 40 per cent of total capacity will be purchased power.

New Figures Revealed in Gaby Study

As Mr. Gaby has made a complete and exhaustive statement of the manner in which Hydro faced and met the question of power resources for the Niagara system in 1929, we quote herewith at some considerable length from his statement of last week.

The survey refers entirely to the supply of power for the Niagara system, and is a reasonable basis for discussion since there are no power surpluses of consequence in the districts of the eastern Ontario system. It does not, however, refer to the recently acquired Abitibi Canyon development which, since it is some 500 miles north of the Niagara system, can reasonably be considered in relation to the northern development of the commission's activities rather than that of the Niagara system which is the major unit in the commission's jurisdiction. Mr. Gaby's remarks are as follows:

> "In meeting the general power demand of the Niagara system, the Commission has, in Ontario, but three main potential hydro electric sources from which it may satisfactorily derive new power (Niagara, Ottawa River and St. Lawrence)..... The Commission was faced with the fact that from none of these three potential sources of power in Ontario could sufficient power become actually available in time to meet the demands that would result from a continuation of the trends of growth that, over a long period of years, had been demonstrated to be characteristic of the Niagara system. The only remaining alternatives were the erection of steam plants or the purchase of hydro-electric power from Quebec.
>
> "All of these, and other factors, were taken into consideration. Forced in the years 1926 to 1929 to choose from among such sources of power as would be actually available, the Commission selected as the most advantageous course the making of contracts for such Quebec power as could be obtained at reasonable rates. In making these contracts the Commission provided for progressive delivery year by year in amounts which seemed best suited to its probable requirements as indicated by the long-term rate of growth for the period 1911 to 1929, interpreted upon a conservative basis.

Recent Contracts for Purchased Power—Niagara System

Company:	General terms agreed upon	Final execution	Commencement of delivery	Total horsepower contracted for
Beauharnois L. H. & P.	June 10, 1929	Nov. 29, 1929	Oct. 1, 1932	250,000
Ottawa Valley Pwr. Co. (Chats Falls)	May 31, 1929	Feb. 15, 1930	Oct. 1, 1931	*96,000
MacLaren-Quebec Pwr.	May. 27, 1929	Dec. 20, 1930	July 1, 1933†	125,000
Total power contracted for as above is				471,000

*This is in addition to the 96,000 horsepower developed by Hydro-Electric Power Commission. †Subject to extension.

Purchased Power Increments—Exclusive of Gatineau Power—Provided for and Actually Taken—Niagara System

Contract:	Power increments provided for: Date	Horsepower	Cumulative total power to be delivered under all three contracts horsepower	Total power taken horsepower
Chats Falls	Nov. 1931*	48,000	48,000	48,000
	Oct. 1932*	48,000	96,000	96,000
Beauharnois	Oct. 1, 1932	35,000	131,000	131,000
MacLaren	July 1, 1933	20,000	151,000	......
Beauharnois	Oct 1, 1933	40,000	191,000	......
MacLaren	July 1, 1934	20,000	211,000	......
Beauharnois	Oct. 1, 1934	54,000	265,000	......
MacLaren	July 1, 1935	27,000	292,000	......
Beauharnois	Oct. 1, 1935	67,000	359,000	......
MacLaren	July 1, 1936	33,000	392,000	......
Beauharnois	Oct. 1, 1936	54,000	446,000	......
MacLaren	Nov. 1, 1936	25,000	471,000	......

*In addition, there became available at Chats Falls a similar amount of power from equipment in Ontario's half of the development owned by the Hydro-Electric Power Commission on behalf of the co-operating municipalities.

> "As will be seen from the detailed data of the foregoing tables in addition to the Gatineau power for which the Commission had contracted —and most of which was in use—its commitments in 1929 involved the taking for the Niagara system, over a period of some six or seven years, of 567,000 horsepower of which 471,000 is purchased power.

Economic History Repeats Itself

Wisdom and Fallacy Down the Ages

* * * *

AFTER NAPOLEONIC WARS

"In casting our eyes around us the most prominent circumstance which fixes our attention and challenges our deepest regret is the general distress which pervades the whole country. It is forced upon us by numerous facts of the most incontestable character. It is indicated by the diminished exports of native products, by the repressed and reduced state of foreign navigation, by our diminished commerce, by successive unthreshed crops of grain perishing in our barns and barnyards for the want of a market; by the alarming diminution of the circulation medium; by the numerous bankruptcies......by a universal complaint for the want of employment and by a consequent reduction of the wages labor....by the reluctant resort to the perilous use of paper money; by the intervention of legislation in the delicate relations of debtor and creditor, and, above all, by the low and depressed state of the value of almost every description of the whole mass of the property of the nation, which has, on the average, sunk not less than 50 per cent within a few years. This distress pervades every part of the Union, every class of society, all feel it. It is like the atmosphere which surrounds us—all must inhale it and none can escape it......"

—From a speech by Henry Clay in the United States House of Representatives in March, 1924.

* * * *

"As to the case of good fortune, take it without pride, and resign it without reluctance."

Book VIII, Meditations of Marcus Aurelius (121-180 A.D.).

Actual Provision 30 Per Cent Below Estimated Future Trend

> "It should be emphasized, however, that the Commission fully recognized that no human organization is capable of making other than tentative predictions regarding the future—it is only possible to assess probabilities.
>
> "In 1929 the experience of eighteen years uniformly pointed to the probability, for the immediate future at least, of a continuation of the established growth trend at a rate of approximately 10.8 per cent per year. Being mindful, however, of the uncertainties necessarily involved in all forecasts, the Commission did not act on any such assumption as that the load would thus increase indefinitely; it merely used these data as suggestive of one possibility—indeed a probability—by which it must be guided in its provisions for the future. Thus the provisions for the future that were actually made by the Commission at this time were much less than at the rate of 11.4 per cent and considerably less even than the 10.8 per cent per year. The actual supplies provided for by the Commission as previously mentioned were only at the rate of 7.7 per cent of annual increase, a rate which is nearly 30 per cent less than the trend of increase from 1913 to 1929."

Reserve Capacity Estimated at 10 Per Cent

One further factor that must be reckoned with in an analysis of power supply is the question of reserve. Study of the actual relationship between demand and supply as affecting the commission's system in the decade 1920 to 1930 reveals that until 1930, demand for power had been so steady and insistent that practically no reserve was maintained. However, according to Mr. Gaby, "A margin of about 10 per cent over estimated peak load is considered by the commission engineers to be satisfactory under normal conditions." That this is a reasonable figure is indicated by the fact that for the five largest systems in the United States in 1929—a year of prosperity—the average reserve over peak loads exceeded over 30 per cent, with some systems having much more than the average provision. In Great Britain, the reported reserves are proportionately even higher than the highest of the United States systems. To some extent, these large reserves have been provided because of the use of steam power which is less reliable and more subject to obsolescence than hydro-electric power, and because of less uniform stream flow for water power than is found for example on the Niagara River. On the other hand, steam plants have a greater overload capacity and can be constructed more quickly.

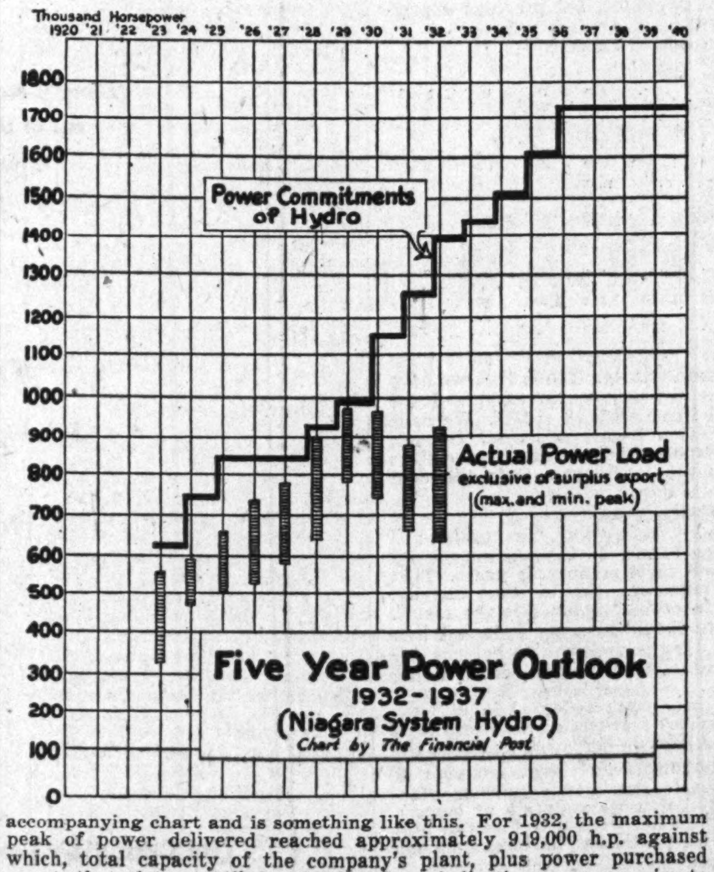
Mr. Gaby argues that unless the capacity arranged for exceeds the estimated load by more than 10 per cent there is no oversupply of power. He also points out that power shortages and interruptions to service are much more costly to a community than are the measures that can be used to safeguard against them. Also, a reserve capacity is necessary to give prospective industries that assurance with respect to power supplies without which they would locate elsewhere.

Supply and Demand Factors Summarized

We are now in a position to attempt a summary of the entire situation. We have seen that past experience in the major area served by the commission indicated a steady percentage increase in the demand for electric power of 11.4 per cent. We have seen that, in 1929, the commission engineers estimated the probable future growth over a period of years at 10.8 per cent for the entire Ontario load. We have also seen that actual provision for the future as indicated by contracts actually signed by the commission and deliverable in the period 1930 to 1936 were made on the assumption of a growth of only 7.7 per cent or 30 per cent less than estimated growth.

What then is the present situation in respect to power in which Hydro finds itself and the future outlook in the next five, ten or fifteen years?

The five-year outlook extending to 1937 when the commission's present commitments become fully available is clearly shown in the accompanying chart and is something like this. For 1932, the maximum peak of power delivered reached approximately 919,000 h.p. against which, total capacity of the company's plant, plus power purchased as at that date, totalled 1,400,000 h.p., indicating an approximate surplus capacity of 480,000 h.p. or 52 per cent of the maximum delivered load.



Five Year Power Outlook 1932 - 1937 (Niagara System Hydro)
Chart by The Financial Post

Real Surplus Currently 300,000 Horsepower

This, however, does not give an accurate picture of the situation for in addition to actual power delivered, there is 40,000 h.p. which is paid for but not being taken by companies supplied directly by the commission; also an additional 40,000 h.p. of what is termed "contractual obligations." This contractual load arises because certain large industrial consumers in the Niagara area have the right under their contracts to require delivery from the commission of large quantities of power in excess of the amount of power that they normally consume. These two items together bring the maximum load for which the commission must provide, on the basis of the 1932 peak, to approximately 1,000,000 h.p. If we allow a normal reserve as estimated by Mr. Gaby at 10 per cent, the final figure would be 1,100,000 h.p., which leaves a current power surplus as at the peak of the 1932 load (December) of 300,000 h.p. or approximately 27 per cent. Incidentally it is of interest to note that on the basis of the new figures published last week by Mr. Gaby, the December, 1932, peak shows actual increase over the corresponding figure of 1931. This is the first time that Hydro figures for a period beyond December, 1931, have been published.

How long will it take this surplus (plus the 330,000 horsepower which Hydro is committed to take in the next four years) to disappear? Starting at December, 1932, from the figure of 1,100,000 horsepower as calculated above (and including provision in each year for a 10 per cent reserve) it will require an annual increase in demand of just over 11 per cent per annum in order that demand overtake supply by December, 1936, the date at which the last block of purchased power to which Hydro is now committed is delivered. Or, assuming that recovery from this depression does not exhibit, in respect of power demand, the attributes of former depressions, and that only normal power demand at the rate of long-term growth established in the period 1921 to 1929, namely 10.2 per cent, is experienced, it will be five years or the end of 1937 before demand will overtake supply.

These estimates are made on the assumption that Hydro power customers now paying for power they are not consuming, continue to honor their contracts (which can doubtless only be annulled by bankruptcy) and that the same holds true of companies whose contracts call for a contractual load over and above their current load demand. If the need for these additional reserves on the part of Hydro were obviated a 10 per cent annual increase in load would not absorb surplus power until early in 1939.

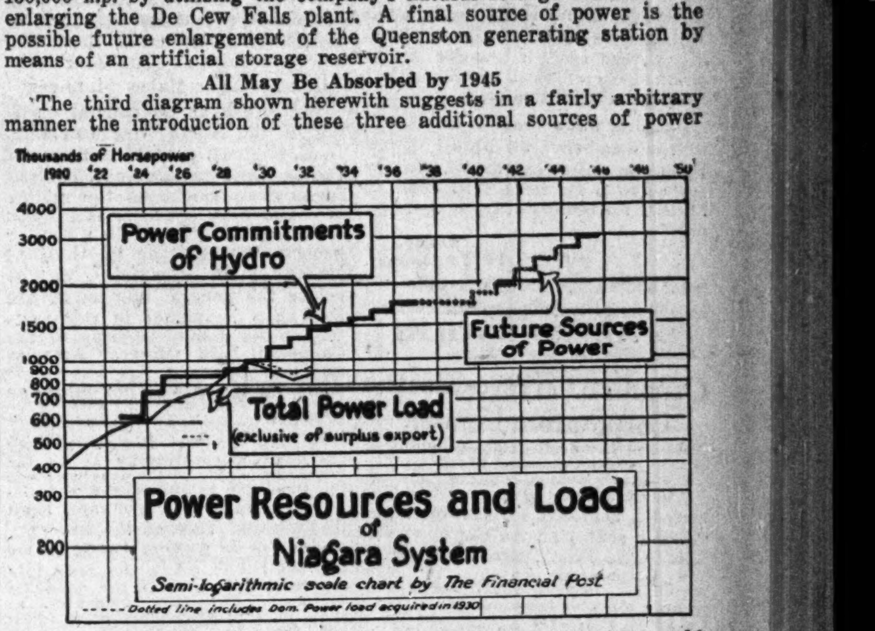
Three New Power Sources in Next Decade

The next and final consideration is the outlook over the 15-year period which embraces the agreement entered into by Ontario in respect of the development of the St. Lawrence deep waterway. Under the terms of this agreement Ontario is obligated to pay not later than October, 1942, the sum of $27,115,700 as its share of the cost of the common work and power substructures of the Chrysler Island power development; and not later than October, 1945, to pay $35,846,800 as its share of the similar costs of the Barnhardt Island power development. Furthermore, if the power should become available and if Ontario actually uses it prior to these dates, Ontario must pay for its share of the developments when used, but if the work for which the payments are to be made is not sufficiently advanced by these dates to permit the development of the power, the payment by Ontario may be postponed until one year after the completion of the work.

Other potential sources of power are twofold. Firstly, there is the opportunity afforded through the purchase of the Dominion Power and Transmission Co. system of an additional amount of approximately 150,000 h.p. by utilizing the company's natural storage facilities and enlarging the De Cew Falls plant. A final source of power is the possible future enlargement of the Queenston generating station by means of an artificial storage reservoir.

All May Be Absorbed by 1945

The third diagram shown herewith suggests in a fairly arbitrary manner the introduction of these three additional sources of power into the Niagara system. They are introduced, however, in what would be in all probability the most economical method of procedure.



Power Resources and Load of Niagara System
Semi-logarithmic scale chart by The Financial Post
----- Dotted line includes Dom. Power load acquired in 1930

Acting on assumptions already outlined (namely, maximum load delivery in 1932 and provision for contractual loads, and a 10 per cent reserve capacity), it is found that in order to absorb these three additional sources of power supplies, the future growth of power demand in the Niagara system must approximate eight per cent annually for a period of 13 years. Assuming that this increase occurs each year, Hydro's Niagara system will by 1945 have then absorbed its entire resources now available either through extension of present plants; through absorption of power supplies already contracted for with outside interests; and through absorption of the 1,000,000 h.p. which it is obligated to develop if, as and when the St. Lawrence deep waterway project is developed.

Mr. Gaby Justifies Commission's Action

In conclusion we quote again Mr. Gaby's final justification for his commission's position:

> "It will be recognized that power projects for the period beyond 1937 are of a tentative and flexible character. The peak load plant at De Cew Falls can be deferred even for an extended period. Similarly with proposal for securing more power at Niagara there is also a wide latitude with respect to the St. Lawrence. Should the rate of growth in the future prove to be less than in the past and the influence of saturation prove more important than any present analysis indicates, it will be appreciated that the effect will but postpone for a few years the necessity of proceeding with some part of the indicated provision for future power supplies. And meantime, Ontario will reap the benefit derivable from the stimulus of ample reserves of low cost power supplies, both those actually provided for the immediate future and those potentially available for a period some years ahead.
>
> "The responsibility of the Commission is twofold. Should the provision for power for future use prove to be inadequate, the result would be to throttle the growth of wealth-producing activities of Ontario citizens presenting re-absorption of workers into industry and in general causing detriment of the most serious character. Should, on the other hand, provision prove to be more than adequate for needs as they arrive, the result would be to add to the cost per horsepower for a relatively short time, and even this contingency can be and has been taken care of in substantial degree by arrangement for utilization of surplus power in the production of steam and by the accumulation of financial reserves. In this connection, it may be mentioned that in the past few years, the Commission has had the foresight to set up for this purpose, reserves in excess of $9,000,000.
>
> "At the present time the depression has created an unutilized reserve of power and if, for a time, these reserves of power prove to be even substantially in excess of minimum reserve requirements, the extra power available will be but little more than the capacity habitually maintained as reserve by many other power organizations even in good times. If past experience is repeated, then when the period of advance follows the present depression, the growth of the Commission's load will be at a substantially more rapid rate than would have been the case at the time of interruption of progress in 1929.
>
> "With a return to normal industrial and general commercial conditions there is no doubt but that the present supply of electrical power will be rapidly drawn upon."

Advertising Lineage Holds Position Since August Last

From Our Own Correspondent

MONTREAL.—Newspaper advertising lineage in the United States for 1932 fell off about one-fifth from the 1931 figures and about one-third from the average of the four years 1928-1931 inclusive, according to records compiled by Media Records Inc. and published in Editor and Publisher.

Magazine advertising fared worse than newspaper lineage, 1932 showing losses of some 30 per cent from 1931, and a fraction over 50 per cent from 1929.

Spend More on Radio

On the other hand broadcast advertising followed its custom of past years by setting a new high, some 9 per cent ahead of 1931. During the past year $39,106,776 was spent on this form of advertising compared with $35,791,999 in the previous year. It is noticeable, however, in studying the radio figures that the increase was due wholly to gains recorded in the first half of the year. For the last six months, the advertising of the National and Columbia networks fell steadily behind last year.

In the breakdown of advertising lineage by classifications, it is shown that display advertising in 1932 was 78.7 of that reported in 1931 and 67.9 per cent of the four year average from 1928-31; classified advertising was 83.1 per cent of 1931 and 70.2 per cent of the four year average; retail advertising totalled 80.3 per cent of 1931 and 71.8 per cent of the four year average; general advertising amounted to 77.1 per cent of the 1931 total and 67.6 of the 1928-31 average; automotive advertising equalled 79.1 per cent of 1931 and 53.1 per cent of the four year average.

Bottom in August

The most encouraging thing about the newspaper and magazine advertising reports is that, by almost any basis of comparison, they show the long decline hit a bottom in August which has not since been penetrated. Some modest improvement, in fact, has been shown since that time and at least a fraction of the gain has been held.

Trend of Newspaper and Magazine Advertising Throughout the Year

	NEWSPAPERS			*MAGAZINES	
	1932 Per Cent of 1931	1932 Per Cent of 1929	1932 in Per Cent of 4-Yr. Averages, 1928-31	1932 Per Cent of 1931	1932 Per Cent of 1929
January	86.6	69.3	75.4	74.8	60.0
February	86.5	70.3	76.0	76.8	58.2
March	79.3	63.9	70.7	73.3	54.3
April	79.7	65.4	70.0	75.1	57.3
May	76.7	60.3	67.2	67.8	52.3
June	80.9	63.6	70.4	68.2	48.6
July	74.4	59.9	66.0	69.3	46.7
August	74.4	56.5	64.0	62.3	40.6
September	81.0	57.5	66.4	63.9	40.7
October	78.9	56.6	65.2	70.7	44.0
November	77.7	56.9	64.1	75.1	43.4
December	73.2	58.0	64.6	76.1	47.7
Yearly Average	79.5	61.4	68.3	70.6	49.6

*Magazine figures are for the month in which the advertising reached the readers; that is, the January figures include the January issues of weeklies, but the February figures for monthlies, and so on through the year. This is done to make the percentages more readily comparable with those for newspapers. The magazine figures are compiled from the monthly reports of magazine lineage published by "Printers' Ink."

Newspaper figures are compiled from reports of Media Records, Inc.

NOTICES

Modern very efficient European Factory of Wall and Floor Tiles wishes to get in touch with capable Import Firm in Canada having good connections in these particular lines, for the sale of their products in the Dominion. Offers with references, Box 169 MacLeans, 2 Cockspur St. London, Eng.

THE BRITISH AMERICAN OIL COMPANY LIMITED

Notice of Annual Meeting

This Notice is directed to the Holders of Share Warrants. To the Holders of registered certificates there has been mailed a notice of such Meeting.

The 26th Annual General Meeting of the Shareholders of The British American Oil Company, Limited, will be held in the Alexandra Room, King Edward Hotel, King Street East, Toronto, on Wednesday, February 15th, at 8 P.M., for the purpose of receiving and considering the report of the Directors covering the operations of the Company for the year 1932, to elect Directors for the ensuing year, and for the transaction of any other business that may properly come before the Meeting.

Holders of Share Warrants, by depositing same, together with statement of their name and address, with The Union Trust Company, Limited, Victoria Street, Toronto, before the 18th day of February, 1933, will receive therefor a certificate entitling them to attend the above mentioned Annual General Meeting. If any Share Warrant Holder who has complied with the above condition desires to be represented by proxy, he may nominate any registered Shareholder for this purpose. Proxy forms may be obtained at the Office of The Union Trust Company, Limited, Victoria Street, Toronto, and must, if presented, be authenticated by exhibition of the certificate of deposit of Share Warrants.

Return of Share Warrants so deposited will be made after the Annual General Meeting or adjournment thereof, upon delivering up to The Union Trust Company, Limited, the certificate issued in respect thereof.

P. W. BINNS,
Secretary.

Dated at Toronto, February 1st, 1933.

DIVIDEND NOTICES

Canadian Hydro-Electric Corporation Limited

Notice of Dividend on 6% Cumulative First Preferred Stock

Ottawa, Canada, January 27, 1933.

The Board of Directors has declared a quarterly dividend of 1½% ($1.50 a share) on the shares of 6% Cumulative First Preferred Stock of the Corporation payable in cash March 1st, 1933, to holders of record of such stock at the close of business February 1st, 1933.

Cheques will be mailed. Stock transfer books will not close.

J. R. BINKS, Secretary.

Blue Ribbon Corporation Limited

NOTICE is hereby given that a dividend of Fifty Cents (50c) per share on the preferred shares of the Company has been declared payable on and after February 1st, 1933, to shareholders of record on January 30th, 1933.

Dated at Toronto this 26th day of January, 1933.

J. C. JAMIESON,
Secretary-Treasurer.

The Guelph Carpet & Worsted Spinning Mills Limited

Preferred Dividend No. 15

Notice is hereby given that a dividend of One and Five-eighths per cent. (1⅝%) being at the rate of Six and One-half per cent. (6½%) per annum, has been declared upon the outstanding 6½% Cumulative Convertible Preferred Shares of The Guelph Carpet and Worsted Spinning Mills Limited, for the three months ended January 31st, 1933, payable February 1st, 1933, to Shareholders of record at the close of business January 20th, 1933.

By order of the Board.

B. F. GRIGGS,
Secretary-Treasurer.

Guelph, Ont., January 26th, 1933.

The Canadian Bank of Commerce

Dividend No. 184

Notice is hereby given that a dividend of Two and one-half per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 28th February, 1933, and that the same will be payable at the Bank and its Branches on and after Wednesday, 1st March next, to shareholders of record at the close of business on the 31st January, 1933. The Transfer Books will not be closed.

By Order of the Board,

S. H. LOGAN
General Manager.

Toronto, 20th January, 1933.

Canadian Car & Foundry Company, Limited

Dividend Notice — Preference Stock

Notice is hereby given that a dividend of forty-four cents (44c.) per share on the paid up Preference Stock of the Company for the quarter ending March 31st, 1933, has been declared, payable on the 10th day of April, 1933, to Shareholders of record on the 27th day of March, 1933.

By order of the Board.

A. C. BOURNE,
Secretary.

Montreal, January 30th, 1933.

Loblaw Groceterias CO. LIMITED

NOTICE is hereby given that quarterly dividends of 20 cents per share on the Class "A" shares and 20 cents per share on the Class "B" shares of the Company have been declared for the quarter ending February 28th, 1933, payable on March 1st, 1933, to shareholders of record at the close of business on February 11th, 1933. The transfer books will not be closed.

By order of the Board,

D. URQUHART,
Secretary.

Toronto, January 28th, 1933.

McCOLL-FRONTENAC OIL COMPANY LIMITED

Common Stock Dividend No. 14

NOTICE IS HEREBY GIVEN that a Dividend of 15 Cents per share, being at the rate of 60 Cents per share per annum, has been declared on the no par value Common Stock of McColl-Frontenac Oil Company, Limited, for the Quarter ending February 15, 1933, payable March 15, 1933, to Shareholders of record at the close of business on February 15, 1933.

By Order of the Board,

FRED HUNT,
Secretary.

January 31, 1933.

MANITOBA PLANS TO GIVE OTTAWA INSURANCE POWER

Life Company Manager Speaks Strongly on Need for Single Control

Except for the official announcement last week that the Manitoba Government intends to take steps immediately to implement its agreement to pass legislation turning over its authority in matters of insurance jurisdiction to the Federal Government, no new developments were reported during the week in respect of the highly controversial matter of insurance jurisdiction.

The move on the part of Manitoba which, according to press dispatches, was discussed at a government caucus last week and which will take the form of an amendment to the provincial insurance act giving the Federal Government power to control insurance companies in the province and to exact fees from them, was forecast last week in Ottawa correspondence of The Financial Post in which it was stated that six provinces had agreed on such action at the federal-provincial parley, held there recently.

Just what the result of the legislation will be; whether it will be supported by similar legislation in the Maritime Provinces; and whether it will be able to stand a challenge as to its constitutional soundness, are matters that are of considerable interest to those who are following this situation closely.

Life Manager Makes Statement

Last week at the annual meeting of the North American Life, D. E. Kilgour, general manager of the company made a clear, straight forward statement on the matter of insurance jurisdiction. His statement is in line with a similar pronouncement made by G. Cecil Moore, of the Imperial Life, who voiced the general opinion of life insurance companies in this matter, at the annual meeting of the Canadian Life Officers' Association last fall.

Mr. Kilgour said in part as follows:

"During the past few years there has been a controversy as to the respective rights of the provinces and the Dominion in the matter of jurisdiction pertaining to insurance. From the point of view of the life companies this is extremely unfortunate and the public, whom the companies represent have been in the main the sufferers. The life companies, as such, have never made this an issue, but they are nevertheless vitally concerned in a proper and satisfactory settlement of the matter. It is perhaps the irony of the situation that whereas at the present time the provinces tax life insurance premiums and the Dominion does not, it is held that the provinces have not that right, and while the Dominion now has the supervising power, it is claimed that that power constitutionally, in part at least, belongs to the provinces.

In these days, however, when governments should set an example in economy and efficiency, it would surely be folly to allow a dispute concerning jurisdiction to blind them to the opportunity to settle the question amicably and with due regard to maximum efficiency and lowest administration costs."

VANCOUVER DEFERS DEBENTURE SALE

Awaits Improvement in Bond Market; Bank Curtails Advances

VANCOUVER.—This city is awaiting an upturn in the bond market before attempting to sell at least a portion of its unsold debentures. Under present conditions, however, no effort will be made to sell.

Pending the proposed sale the city's programme of street improvements, sewer installations and other engineering works paid for out of capital account has been held in abeyance, as the Bank of Montreal has declined to place additional funds at the disposal of the city over and above the $2,500,000 already loaned and which has been exhausted. This loan was made against $3,225,000 debentures authorized for general purposes in December, 1931. At that time it was hoped that the bond market would improve to an extent that the city could sell its debentures.

Meanwhile a dual receivership is in effect in the city and district of North Vancouver, C. E. Tisdall being commissioner. Four years ago there was a sinking fund surplus in North Vancouver amounting to $109,000; now there is a $70,000 shortage instead. John Bennett has been appointed commissioner in Burnaby, another Vancouver suburb.

Midland Properties Writes Down Common

The condensed balance sheet of Midland Properties Inc., formerly Greater Buffalo Theatres Inc., shows no improvement for 1932 and earnings statement is not included. The 150,000 shares of common stock, carried at $17,499 in 1931 are now shown at $3,028 which represents excess of assets at book value over liabilities and preferred stock. The company has been named co-defendant with lessees in three actions pending for alleged injuries sustained on the company's property. The claims amounting to $65,000 are covered by insurance according to information given the company's auditor.

Land, buildings and equipment are carried at $1,847,361 from which is deducted allowance for depreciation of $382,673, an increase of $26,273 over 1931 figures. Cash is shown at $2,477 and rent receivable at $150 with insurance premiums and prepaid taxes at $12,934. Liabilities include accounts payable of $1,121, deposits on leases, $10,600; mortgage payable which was due on October 1, 1932, of $545,500 and 9,200 shares of $100 par preferred stock. The theatre owned by the company in Buffalo, N.Y., is leased to a subsidiary of Paramount-Publix Corp. for an amount sufficient to pay interest, taxes and operating expenses only.

Favorable Balance In Foreign Account

But Canada Always Has Favorable Balance When Times Are Hard—It Means No Capital Coming In

By KENNETH W. TAYLOR

Associate Professor of Political Economy, McMaster University

A preliminary estimate of Canada's Balance of International Payments for 1932, made for The Financial Post Business Yearbook, shows an increase in the credit balance on current account from $28,000,000 in 1931 to $61,000,000 in 1932. The credit balance on merchandise increased from $1,000,000 to $82,000,000; that on tourist account fell from $175,000,000 to $127,000,000. The adverse balance on interest account fell from $181,000,000 to $160,000,000.

The importance of a country's international accounts, its "balance of payments" with the outside world, has become generally recognized in the past two years. What once commanded little more than academic interest is now often front page news.

No statistics can be compiled to explain week to week or even month to month fluctuations in exchange; that is, a matter of international financial psychology. But the changes in a country's international accounts are very important in indicating long run trends.

The following table gives the preliminary estimate for 1932, with comparative figures for earlier years. The figures are subject to revision as definite statistics become available, but previous experience makes it probable that these will be of a minor nature.

Canada's Balance of International Payments
(In millions of dollars)

	Aver., 1927-29		1931		1932	
	Cr.	Dr.	Cr.	Dr.	Cr.	Dr.
Merchandise	1,272	1,216	617	628	518	461
Less: Overvaluations	...	...	...	5	...	23
Settlers effects, etc.	11	23	9	16	8	10
Net merchandise	1,261	1,193	608	607	510	428
Coin and bullion	74	25	70	2	68	1
Freight	88	118	49	76	40	57
Tourists	274	113	251	76	188	61
Interest	78	247	71	252	60	220
Insurance, advertising, etc.	46	36	30	34	28	29
Non-commercial items	47	48	31	30	22	23
Exchange, London & N.Y.	...	...	...	5	2	33
Total, current items	1,868	1,780	1,110	1,082	913	852
Net flow, long term capital	62	...	...	61	...	29
Balance (errors & omissions)	...	150	33	...	...	32
Total	1,930	1,930	1,143	1,143	913	913

Two important facts emerge from this table. One is that we have regained a substantial credit balance on current account, and the other is the drastic reductions in all items on both orders. We have achieved a "favorable" balance, but at a tremendous cost. Imports are at the lowest figure since 1909, exports at the lowest figure since 1914. The tourist trade is back to the 1924 level. Only the debt charges remain almost unchanged.

What Terms Really Mean

It has been pointed out often enough before that "favorable" and "unfavorable" balances are misleading terms. In Canada we usually have large unfavorable balances in our most prosperous years. That is because in those years we are importing capital most heavily. The borrowing comes first, the "unfavorable" balance is the result. It is not to the balance itself that we should turn our eyes, but how that balance has been brought about. Is the unfavorable balance due to healthy expansion and borrowing, or is it unwarranted living beyond our means?

The past eighteen months have been unprecedented in at least one respect. Never before have the money markets of the world been so completely closed to even first-class foreign borrowings. Under the circumstances, with large interest payments and large amounts of principal payable abroad and with the foreign money markets practically closed against us, it is essential that we maintain as large a credit balance on current items as possible. Just how this can best be done is a matter of opinion, on which politicians, business men and economists among themselves disagree.

Explanation of Items

A few explanations of certain items in the 1932 accounts may be given.

The deduction for overvaluation of imports is necessary since imports from the British Isles and from foreign countries with depreciated currencies are still valued officially at par of exchange. Imports from Great Britain in 1932 were really $20,000,000 less than the official figures indicate.

Freight payments are down both on account of reduced trade and lower freight rates.

Tourist expenditures in Canada are believed to have dropped 25 per cent, and expenditures of Canadians travelling abroad to have dropped 20 per cent.

Interest and dividend payments are down $32,000,000. Bond interest payments are at least equal to previous years, but dividends are down nearly 30 per cent. The passing of dividends by C. P. R., International Nickel, International Paper and Shawinigan alone, four companies, whose stocks are largely held abroad, resulted in $25,000,000 less being paid out to foreign stockholders in 1932.

The item "Exchange in London and New York" is due to the fact that all estimates of payments (except those for imports of merchandise) have ignored the exchange situation.

The balance represents errors and omissions. The most important omissions are short term financing, private banking balances abroad, trade credits, etc.

Ontario Loan Companies Have Increased Liquidity

Liquid Assets Were 60.7 p.c. of Deposits at December 31, 1932; 57.6 p.c. in 1931; Deposits Increased to $76,861,886; Hold More Cash and Government Bonds

Loan and trust corporations falling within the jurisdiction of the registrar of loan corporations in Ontario increased the ratio of liquid assets to deposit to 60.7 per cent at December 31, 1932, from 57.63 per cent shown at December 31, 1931, and 53.03 per cent shown at December 30, 1932, according to the quarterly report of the department, just issued. Total deposits of the 32 companies included in the report increased to $76,861,856 from $75,616,049 during the year.

The trend toward liquidity is evidenced in the increase of total cash on hand to $10,371,563 from $8,500,802 shown the year previous while Dominion and provincial bonds increased to $21,204,560 from $20,561,460. Investment in Canadian city and Ontario municipal debentures was down to $13,003,823 from $13,107,351. Demand loans on securities of the forgoing type were up to $2,385,330 from $1,409,939. Total available liquid securities are $46,654,601 as compared with $43,579,552 at the end of 1931.

The deposits shown in the quarterly statement are demand deposits and the amount of currency or sterling debentures outstanding is not shown. The statement of deposits and liquid securities on hand and available for depositors is as follows:

Quarterly Statement of Ontario Loan and Trust Corporations

Liquid Securities on hand and available for Depositors

Name of Corporation:	Total Deposits 1	Cash on Hand and on Deposit 2	Dominion or Provincial Bonds or Guarantees 3	Canadian City and Ontario Municipal Debentures 4	Demand Loans on Similar Securities 5	Total Available Liquid Securities 6	Percentage of Total Available Liquid Securities to Deposits 7
Canada Permanent Mtge. Corp.	14,608,179	2,472,856	3,990,021	1,328,882	11,380	7,803,139	53.41
Central Canada Loan & Sav. Co.	4,833,940	918,139	1,923,161	559,842	28,225	3,424,367	70.48
Crown Savings & Loan Co.	54,106	*11,207	36,000	....	....	24,793	45.82
East Lambton Farmers, Loan & Savings Co.	142,799	3,965	22,605	10,293	....	36,863	25.81
Guelph & Ontario Investment & Savings Society	900,561	179,611	316,924	170,823	2,501	669,859	74.38
Huron & Erie Mtge. Corp.	9,327,304	1,003,503	2,272,752	194,285	....	3,470,541	37.21
Lambton Loan & Investment Co.	905,914	44,782	....	90,518	....	135,300	14.93
Landed Banking & Loan Co.	1,345,048	40,635	225,635	95,645	1,912	363,827	27.04
Midland Loan & Savings Co.	335,194	167,753	230,134	59,260	....	457,147	136.36
Ontario Loan & Debenture Co.	1,437,251	454,701	1,041,722	275,436	250	1,772,109	123.29
Security Loan & Savings Co., St. Catharines	302,883	29,718	220,529	62,920	....	313,168	103.41
Toronto Mortgage Co.	107,596	133,988	304,242	29,336	....	467,565	434.56
Toronto Savings & Loan Co.	1,436,517	426,336	582,775	229,540	....	1,238,651	86.22
Brit. Mtge. & Trust Corp. of Ont.	1,917,523	*163,399	168,095	350,572	....	355,268	18.52
Brockville Trust & Savings Co.	524,266	26,558	61,151	27,310	....	115,019	21.94
Canada Trust Co.	2,779,278	286,104	20,002	44,005	223,957	574,068	20.66
Capital Trust Corp. Ltd.	1,842,575	108,839	1,331,107	....	....	1,439,946	78.14
Chartered Trust & Executor Co.	1,937,836	160,847	113,715	619,263	352,786	1,246,611	64.33
Community Trusts Corp.	96,772	13,123	18,916	5,798	....	37,837	39.09
Fidelity Trusts Co. of Ontario	125,534	*34,391	46,058	28,440	....	40,107	31.94
Grey and Bruce Trust & Sav. Co.	602,064	*52,493	325,528	63,925	7,202	344,162	57.16
Guaranty Trust Co. of Canada	49,395	14,968	48,652	....	....	63,621	128.79
Imperial Trusts Co. of Canada	400,886	35,055	38,677	122,460	9,483	205,675	51.30
Industrial Mtge. & Trust Co.	837,205	62,170	242,001	511,292	6,404	821,867	98.16
National Trust Co. Ltd.	15,236,335	2,331,637	4,547,377	1,779,747	66,000	8,724,761	57.26
Premier Trust Co.	36,364	53,489	7,485	1,100	....	62,074	170.70
Sterling Trusts Corp.	198,171	26,611	70,251	33,803	25,000	155,664	78.55
Toronto General Trusts Corp.	6,168,734	1,025,852	968,038	4,178,763	1,571,880	7,744,533	125.54
Trusts & Guarantee Co. Ltd.	1,396,517	208,133	889,497	680,636	8,125	1,786,391	127.92
Union Trust Co. Ltd.	1,362,912	70,366	274,769	....	....	345,134	25.32
Victoria Trust & Savings Co.	1,424,348	76,821	3,033	251,191	5,659	336,706	23.63
Waterloo Trust & Savings Co.	4,187,931	*49,184	863,708	1,198,740	64,567	2,077,829	49.61
Totals	76,861,886	10,371,562	21,204,560	13,003,823	2,385,330	46,654,601	60.70
Totals previous quarter	74,829,221	5,118,822	19,404,278	13,141,149	2,014,495	39,678,744	53.03
Totals for same quarter, 1931	75,616,049	8,500,802	20,561,460	13,107,351	1,409,939	43,579,552	57.63

*Overdraft.

Ships Shooks to Montreal

The Wilson Box Company at Saint John has received an order for 25 carloads of shooks from a Montreal concern, this being the first time Maritime shooks have been supplied to the Montreal plant of the company. The order will be a contributing factor to operating the mill at full capacity.

AGNEW-SURPASS NET PROFIT GAINS IN SIX MONTHS

Sales Slightly Lower But Net Jumps Almost 100 Per Cent

From Our Own Correspondent

MONTREAL.—Though sales of Agnew-Surpass Shoe Stores in the first half of its current fiscal year showed a slight decrease, net profits showed a substantial gain being almost double those of the same period last year. Sales totalled $1,173,000 in the six months period ended November 30, 1932, a decline of $119,000 compared with the corresponding period in the previous year; details of net profit have not been disclosed.

It is understood, however, that the sharp gain in net cannot be taken as a criterion for the balance of the year. Improvement was due largely to operating economies; on a comparative basis these economies are not expected to find such a marked reflection in the last six months of the year.

Earned Dividend Last Year

In the fiscal year ended May 31, 1932, net profit was $87,812 or the equivalent of $8.78 a share on the 7 per cent preferred stock. This compared with $147,985 in the previous year or $14.80 a share on the preferred. Dividends on the $974,500 of preferred have been paid regularly.

Few Sufferers Through Higher Empire Content

Announcement by the United Kingdom Board of Trade that, effective April 1, certain classes of goods manufactured in and consigned from British Empire countries must contain a minimum of 50 per cent of Empire material and labor, instead of 25 per cent as at present, before they will be admitted free under the Empire preference tariffs, has created speculation as to how this will affect Canadian subsidiaries of United States concerns which manufacture here in order to serve the Empire market.

The list of goods to which the 50 per cent Empire content clause will apply is as follows:

Glass and glassware, pottery and clay products, metal furniture, certain iron and steel products, hollow ware, manufactures of aluminum, copper, lead, tin, zinc and alloys; cutlery implements, tools and parts, scientific instruments, gauges and measuring instruments; electric goods, machinery, typewriters and cash registers, tapes, boots and shoes, manufactures of leather, transparent cellulose wrappings, arms and ammunition, locomotives, aircrafts, cycles, motor cars and motorcycles, rubber manufactures, toilet preparations, brooms and brushes, machine belting, sports requirements, toys and musical instruments, clocks and clock cases, fountain pens, propelling pencils.

Expert opinion is that there will be few manufacturers affected in this country. In an interview, William Gilchrist, chief of the foreign tariffs division in Canada, is reported as saying that offhand he could not think of one specific manufacturer who would be seriously affected although he presumed that, with the great variety of goods being produced and exported, there would be a few.

Mr. Gilchrist explained that the British regulations stipulated that 50 per cent of the "works or factory" cost must be Empire and that this was made up of four items: raw material, labor, factory overhead and packing.

HOLLINGER EARNS $4,024,585 IN 1932 82 CENTS A SHARE

Highest Earnings Since 1927—Value and Tonnage Are Up

An official statement giving estimates of operations by Hollinger Consolidated Gold Mines for the year ended December 31, 1932, shows a net profit before depreciation and surplus adjustment of $4,024,585 as compared with $3,686,490 in 1931. Not only was the value of the production the greatest since 1927, but also the tonnage milled was the greatest since 1928.

While the figures given are before depreciation and surplus adjustments, these deductions are not expected to make an appreciable difference in the estimated figures since the Hollinger plant and equipment has been written down to $1.

Income from interest on investments shows a substantial decline over previous years, reflecting the curtailed earnings and lower dividends of many of the securities held.

The following tabulation gives comparative estimated earnings and production figures for 1931 and 1932:

	Year Ended —December 31— 1932	1931
	$	$
Value of prod.	11,723,074	10,528,865
Int. on invest	147,166	622,370
Total income	11,870,240	11,151,235
Oper. expend. incl. all chgs. & allowance for taxes	7,845,655	7,464,745
Gross profit	4,024,585	3,686,490
Divds. paid	3,690,000	3,444,000
Surplus before deprec. & surplus adjust.	334,585	242,490
Earn. per share	0.82	0.75
Tons milled	1,754,868	1,640,705
Recovery per ton	$6.68	$6.42

Renew Export Restriction on Gold Coin and Bullion

Export of gold coin or bullion from Canada has been prohibited until Dec. 31, 1933, according to a bulletin issued by the Department of National Revenue, Ottawa. An order in council to this effect was made on Dec. 17, 1933.

This new order takes the place of one made on May 17, 1932, which prohibited such exports up to Dec. 31, 1932, and is to remain in force unless sooner rescinded by order in council. Gold can only be exported from Canada, under the order, by license from the Minister of Finance.

New Issue

$4,000,000

PROVINCE OF
BRITISH COLUMBIA

5½% Sinking Fund Debentures
(Non-Callable)

Dated February 1, 1933 Due February 1, 1945

Principal and half-yearly interest (February 1 and August 1) payable in lawful money of Canada at the principal office of The Canadian Bank of Commerce, in Victoria, Vancouver, Winnipeg, Toronto, Montreal or Halifax, at holder's option.

Denominations: $1,000 and $500

Debentures may be registered as to principal

Subject to Legal Opinion of E. G. Long, Esq., K.C., Toronto

These debentures are direct obligations of the Province of British Columbia and are payable, principal and interest, out of the Consolidated Revenue Fund of the Province. The proceeds of this issue will be used for retirement of Treasury Bills originally issued for highways, bridges and buildings and for other general purposes of the Province. An annual, cumulative Sinking Fund of 1¼% will be established against this issue.

Information regarding the financial position of the Province will be found in the official circular which is available upon request.

We offer these debentures if, as and when issued and accepted by us, subject to the approval of Counsel.

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close subscription books at any time without notice.

It is expected that debentures in interim form will be ready for delivery on or about February 8, 1933.

The statements contained herein are based upon information which we believe to be reliable, but are in no event to be construed as representations by us.

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Your Investments

Letters from subscribers to The Financial Post, who desire information bearing on their Canadian investments, will be answered by an early mail, and questions of general interest will be answered on this page. We cannot extend this service to non-subscribers nor do we answer enquiries relating to American stocks or foreign securities generally. A three-cent stamp or stamped envelope must be enclosed. Write mining and insurance enquiries on sheets separate from other investment enquiries. No answers can be given by telephone or telegram. We do not select lists of securities but will supply current facts about securities in a list you may supply. Nor do we attempt to make any forecasts of the probable trend of any security. The service, in other words, is one of fact and not of opinion.

Holding Co. Secrets Should be Disclosed

Complicated Structures of Parent and Subsidiary Companies Sometimes Permit Hiding of Skulduggery—Auditors Should Remember Duty to Shareholders

Chartered accountants acting as auditors, stock exchanges and trade associations have a growing responsibility to see that joint stock companies give full disclosure of all pertinent facts in their financial statements. Especially should companies and their auditors give more information as to business relationships of holding companies and subsidiary companies and officers of integrity should insist that facts of moment shall not be hidden even though the shareholder does not own stock in a subsidiary company directly and legally can be kept in the dark.

The recent report by Price Waterhouse & Co. as to the affairs of Ivar Kreuger and all the Swedish Match enterprises throughout the world, and the disclosures in connection with the Insull Co. crash throw into bold relief such practices as the looting of operating companies by holding companies, the publication of misleading financial statements and unscrupulous lobbying carried on by large associations.

Audits Must Be Dependable

The powerful holding companies formed this century all over Canada and the United States in a number of cases have really represented moves to gain greater efficiency, to cut out unnecessary and duplicated costs, to permit greater service, to make for cheaper distribution of products and to permit closing of inefficient competing units; but they have also permitted unscrupulous men to throw up a screen for skulduggery and to carry on operations which have anything but the interests of shareholders at heart or which permit operations to be at the expense of one group of security holders against others who are not aware of what is happening to them. In some cases shareholders even vote for their own undoing at annual meetings because in complicated capital structures it is often hard for any but the insiders to understand the meaning of every change in organization and the operations which it will permit.

Recently an article on this page urged strongly that audits by chartered accountants must be more dependable if confidence of shareholders and investors generally is to continue. One of the most important checks and balances that make joint stock companies possible, has been the fact that a shareholders' auditor, at least once a year, goes over the books and accounts and asserts or sees to it that everything is correctly stated in the annual statement. Certain failures by auditors to exercise due care in their inspection of some Canadian companies but more especially world shaking events like the suicide of Ivar Kreuger and the bankruptcy of the Insull Companies have shaken confidence in the bona fides of statements as presented to a considerable degree, and it becomes more important to organized society every year that chartered accountants, stock exchanges and powerful associations shall live up to their best ethics and their most efficient practice in reports, audits and requirements set out.

Unsuited to Public Investment

In the case of Ivar Kreuger he probably saw to it that his subordinates were of an enthusiastic type willing to accept at face value all his statements. The revelations of Price, Waterhouse & Co., who have just reported on the results of his world-wide transactions, show that instead of the Kreuger Co.'s having profits during 14 years of more than $300,000,000 the operating profits were really only $40,000,000 or one and a half per cent on the capital. They disclosed that Ivar Kreuger had forged $100,000,000 in Italian Government bonds, that he had mulcted the public of $550,000,000 and "got into" the banks and bankers for another $164,000,000. Out of $724,000,000 capital placed at his disposal by the public he paid back to the public $180,000,000 in interest and dividends.

Price, Waterhouse & Co. had this significant sentence in their report: "The history of this group of companies emphasizes anew the truth that enterprises in which complete secrecy on the part of the chief executives, as to the way in which important parts of the capital are employed is, or is alleged to be, essential, are fundamentally unsuited for public investment."

Independent Audits Asked

The revelations in the United States concerning holding company finance and unsound practices have been sufficiently startling to lead the New York Stock Exchange once again to demand independent audits of all annual financial reports issued by companies applying for security listing.

This ruling is of little immediate importance because it does not affect the companies whose stocks and bonds are already on the big board unless they list new securities. The degree of disclosure is not stipulated either. Most of the large tobacco and chemical companies for example are not very informing in their reports to investors. Nor has the agitation by the New York Stock Exchange and to a certain extent by the Toronto Stock Exchange in Canada, been very successful in securing quarterly reports from corporations with listed securities.

Gives Good Lead

A good lead is reported as having been given by that leader among United States electric utility associations, Edison Electric Institute. It has made a move toward reform by demanding from members adequate financial statements audited by outside accountants at least once yearly. Its new code insists that all reports must be accurate and clearly indicate their source. It is proposed that no exorbitant fees should be charged to operating utility companies by holding companies for management, supervisory, purchasing, construction, engineering or financial services and the members are required at all times to be ready to answer questions regarding business conduct.

All but 15 per cent of the members of the institute agreed to enter the new association formed under these rules. Among those who did not accept the new plan was H. L. Doherty & Co. of the Cities Service Company, Utilities Power and Light, Associated Gas and Electric and American Commonwealth Power, now in receivership and parent company of Dominion Gas and Electric which does business in Western Canada with a number of important subsidiaries. The institute has also agreed to divest itself of all semblance of propaganda activities, and to assume an attitude of frankness and ready co-operation in its dealings with the public and with regulatory bodies. More of this type of outstanding leadership would go a long way to restore lost confidence.

Union Gas

I would like your opinion as to prospects of United Fuel Investments and Union Gas Co. common stock.

United Fuel Investments and Union Gas have had two or three bad years. Possibly a long, severe and brisk winter would help them in the sale of fuel and gas. Revival in business also would be of assistance. More optimistic reports have come from both companies in the last few months, but the situation has come to the point where present position and future prospects alike have to be determined by actual business obtained from month to month.

Sterling Trusts

As a subscriber to your paper we would be glad if you would supply us with information in connection with the Sterling Trusts Corp. Do you consider their preferred and common stock a good hold at the present?

The annual statement of Sterling Trusts Corp. will not be available for several weeks and until that time we shall not know how operations during 1932 have affected the shareholders. At December 31, 1931, the company had outstanding 9,402 shares of $100 par value stock on which there had been paid $789,499. Reserve fund amounted to $100,000 and the company had a contingent reserve available for depreciation and possible loss on its investments of $40,000. The company has no preferred stock authorized or outstanding.

In 1931 and 1932, the dividends were paid at the rate of 6 per cent; 6.4 per cent having been earned on capital during 1931. Assets of the company in capital account were shown at $943,750 of which $537,824 was in mortgages and agreements receivable. The guaranteed trust account had assets of $798,264 of which $670,859 was in mortgages. Of the total mortgage investment of the company, $257,283 was in Western Canada and $906,051 in Toronto and vicinity.

Helped By Financial Post

I attach a list of my investments for your constructive criticism. I have been a subscriber to your valued paper for many years, and have profited by your advice.

I have a wife and two young children and carry over $23,500 life insurance, besides two annuities.

It is my wish to hold a diversified list, that will be as safe as it is possible for me to hold.

Your criticism and advice will be very much appreciated. What changes should I make?

In looking over the letters from you, I notice one dated March, 1914. I have benefitted from these.

Your Dominion of Canada direct and guaranteed bonds are regarded as at the acme of safety for investments in Canada. From the standpoint of financial strength, good management and generally good prospects over a term of years we would not be inclined to suggest a single change in your list of preferred and common stocks. All such holdings are subject, of course, to the influence of changes in business conditions and sometimes in political conditions as well, but as times get better the companies so managed and so financed should have a greater opportunity than most of their more weakly financed competitors to take advantage of the better times. It is true, of course, that Ogilvie Flour Mills Company is operating in a period exceedingly difficult for flour milling companies because fluctuating exchanges make foreign business difficult, while there are too many flour milling companies to get along with only the domstic business. It can stand the present gaff, however, and its prestige is still high.

Dominion Textiles Company has been, during the depression, doing exceedingly well and especially so with the help of the protection given it against imports. The future danger would seem to be in the possibility of a return at some future date of a party which might feel itself obliged, because of its political support, to reduce the protection on textiles. Changes of parties hitherto have not made changes sufficient to interrupt the general good record given by the company. Sherwin-Williams Co. of Canada is having currently much reduced revenue because of the drop in construction. The demand for paint naturally grows larger whenever there is active construction. It may be necessary to wait for such a period before the company again shows anything like its record earnings during the active periods of the past.

Bell Telephone Company has had to reduce its revenue because of the drop in long distance revenues. Montreal Light, Heat and Power alone has kept its revenue high, but feels the strain, nevertheless, of these business conditions. B. C. Power revenue is reduced in the same way and should recover with better business in British Columbia.

Ont. Power Service

A client of this office is asking whether the assumption of the interest on Ontario Power Service Corp. bonds at a lower rate by the Provincial Government amounts to an absolute and unconditional guarantee of the same. A reply as to whether these bonds could be regarded as a safe investment to retain will be appreciated.

The Ontario Government did not assume payment of bond interest on the bonds of Ontario Power Service Corp. but made an offer accepted by holders of the Ontario Power Service bonds whereby these bonds would be exchanged for bonds of the Hydro-Electric Power Commission of Ontario which carry the guarantee of the Provincial Government. The Hydro bonds which were issued in exchange for Ontario Power Service bonds have the same security as other bonds issued by the Hydro Commission, all of which carry the guarantee of the province. To all intents and purposes, these guaranteed issues have the same security as direct obligations of the province since, if default were to occur on one of the guaranteed issues, the credit of the province would suffer to the same degree as would be the case if the province defaulted on its direct obligations.

The Hydro-Electric Power Commission bonds due October 1, 1952, bearing coupons for 3½, 4 and 5 per cent which were exchanged for the Ontario Power Service bonds, are currently being offered at retail to yield 4.70 per cent while Ontario Hydro-Electric Power Commission bonds due January 1, 1970, carrying a coupon of 4¾ per cent are being offered to yield 4.72 per cent. It is apparent from these offerings that the security of the two issues is regarded as being identical.

Can. Wirebound Boxes

What is the capital structure of Canada Wirebound Box Co.? Does this company have any bonds, debentures, mortgages, or bank loans ranking ahead of its preferred stock?

Is it the class A first preferred cumulative stock that is currently quoted at from $4 to $5 and until very recently was paying $1 a year? How much is this class A stock now in arrears in dividends? What is the equity of the class A shares according to last balance sheet? Unless it becomes necessary completely to reorganize the company, do the arrears on class A stock rank ahead of any other dividend payments when times get better and the company resumes dividend payments?

Canadian Wirebound Boxes Limited has two classes of stock both of no par value. At April 30, 1932, there were 71,955 shares of class "A" and 40,000 shares of class "B" stock outstanding. Class "A" stock is entitled to cumulative dividends amounting to $1.50 annually before any dividends are paid on the class "B." After payment of $1.50 class "A" and class "B" shares participate equally in any distribution in excess of the non-cumulative dividend of $1 paid on the class "B" shares. In July, 1930, the company secured authority to purchase class "A" shares in the open market and, from 1930 to 1932, retired 1,845 shares. The class "A" stock is currently offered at $4 a share.

At April 30, 1932, the company had a mortgage payable of $50,000 which had been reduced by $40,000 in the course of two years. Other than current liabilities, this mortgage is the only liability ranking ahead of the class "A" shares. At April 30, 1932, the class "A" shares had an equity of $16.76. Dividends on the class "A" shares were paid at the rate of $1.50 per year regularly from October 1, 1928, until June 30, 1931, when a quarterly dividend of 25 cents was declared. Dividends were paid at this quarterly rate until the payment due January 1, 1933, which was deferred. Arrears of preferred dividends now total $1.12½ per share on the class "A" stock. The company is operating in an industry that has had a great deal of competition in the past two years and an industry that has a productive capacity considerably in excess of the current industrial needs. When there is a general improvement in business the container business can be expected to benefit without much delay.

B. A. Oil

I have heard some talk that British American Oil dividend may be dropped at an early date. Should I sell?

British American Oil is the second company in Canada in the oil industry. It has within the last two years made itself a completely integrated unit by the securing of crude oil territory and drilling wells in Oklahoma and East Texas by building a new and modern 15,000 barrel refinery in Montreal and by purchasing and leasing both ocean and lake oil tankers.

While making these expansions in the last few years, the company was obliged to borrow very heavily from the bank. It is understood that earnings have been sufficient to cover the regular dividends of the common stock, but the bank indebtedness is pretty heavy. Recently the company secured the right to issue $5,000,000 more in debentures. The idea is to offer these to the general public when market conditions are propitious and to use the money thus received for the purpose of paying off bank loans and improving the working capital position of the company. The company has good management and most of its actual earnings are made within the borders of Canada.

The rumor about a reduction in dividend has arisen because market conditions have not yet been favorable to the issuing of the new debentures and it was thought that the company might decide to drop or reduce the dividend in order to clear off bank and other indebtedness with the money thus saved. The officials of the company, however, deny that any consideration whatever has been given to the dropping of dividends.

The Financial Post understands that the bank loans are no embarrassment to the company in the payment of dividends so long as revenues keep up. The banks are glad to have outlets for their funds with companies eminently able to maintain interest and other service on the loan.

MacLaren Quebec

I have heard very little about the MacLaren Quebec Power Co. and am wondering if you have any information as to new developments affecting the enterprise.

We understand the construction of the main power development of MacLaren Quebec Power Co. is going forward according to schedule and expectations are that it will be completed in time for the company to take care of its contract with the Ontario Hydro Commission, which commences in July next. Revenue from this contract and others held by the company is estimated to be sufficient to take care of interest requirements and we have heard of no adverse factor in the situation surrounding the company.

Simpson's Preferred

Re Robert Simpson's, Limited, 6½ per cent preferred, I would esteem it a favor if you would give me, your opinion on the outlook for a resumption of the dividend now in arrears. Any observations you may have to make on the outlook for this company will be appreciated.

How many dividends may go into arrears before any action is taken or is such action limited to default on the mortgage bond interest?

You doubtless refer to the 6½ per cent cumulative preferred stock of Simpson's, Ltd., which controls the Robert Simpson Co. Ltd. Simpson's Ltd., acquired all the issued shares of the Robert Simpson Co. Ltd., and direct title to properties owned by the Robert Simpson Co. Ltd., and its subsidiary companies except those properties pledged as security for the 5 per cent mortgage sinking fund bonds of the Robert Simpson Co.

Dividends have been dropped first on the class "A" and then on the preferred stock of Simpson's Ltd. It is now a question of maintaining interest on the first mortgage and collateral trust sinking fund bonds. Simpson's Ltd. collects the net earnings of Robert Simpson Co., and other subsidiaries through its ownership of common stock of Robert Simpson Co. after the payment of Robert Simpson Co. bond interest and preferred dividends, but it also gets about enough for interest from rentals which are an operating charge of Robert Simpson Co.

The financial statement for the 11 months ended Jan. 3, 1933, showed Robert Simpson Co. 6 per cent dividends only 12 per cent earned and are therefore in danger. Earnings must mount high enough to look after these, to enable a large depreciation write-off to be made yearly before near-term prospects of Simpson's Ltd. preferred look bright.

Most of the present troubles of the company can be ascribed to the business depression, to the high tariffs which prevent it buying freely those foreign goods which it needs to supply the special class of style customers which it has built up. Active business conditions will make a considerable difference to this company.

No action can be taken against the company because of its failure to pay dividends on the preferred stock. The only recourse is that the shares cease to be non-voting when four quarterly dividends are in arrears. That would not, however, give them control.

Associated Telephone

What is the position of the 5½ per cent debentures of Associated Telephone & Telegraph Co.? Do these debentures rank ahead of the preferred stock? What is the probability of the continuance of interest payments on these debentures?

The 5½ per cent 25-year gold debentures, series "A," due 1955, of Associated Telephone and Telegraph Co. rank ahead of the preferred stock of which there are three classes. In the year ended December 31, 1931, the company earned debenture interest 2.61 times after depreciation and taxes, etc. The company does not issue interim statements during the year, but we understand that most of the subsidiaries were able to maintain business on approximately the 1931 level during 1932. Certain losses may be incurred in exchange since the company has a large number of subsidiaries scattered throughout the world, but it is stated that the liquid position of the company has been improved. Payment of interest on the debentures cannot be regarded as certain, but it has been stated that there is an even chance that the company will continue to pay interest. The debentures have sold at around 30 in Canada.

Canada Paving

We have a client enquiring regarding the Canada Paving & Supply Ltd. If there is any information you have regarding this company will you please let us have it and we will pass it on to our client?

No official statement has been issued regarding the position of Canada Paving & Supply Corp. since the meeting of creditors held in January, 1932. We understand, however, that the Guarantee Trust Co. of Windsor, acting as trustee in bankruptcy, will shortly forward to creditors of the estate a statement of progress made during 1932.

It would appear that very satisfactory progress has been made in liquidating supplies which were on hand when the company made its assignment last January. We are told that the supplies have been sold above cost. It is probable that some dividend will be paid to unsecured creditors in the near future while the banks also have a substantial claim against the company which must be met at a later date. It would appear that unsecured creditors and the banks could be paid off from the proceeds of liquidation of inventories leaving a fair cash balance and real estate to cover claims of preferred shareholders.

At the present time, the company owns real estate of its own and its subsidiaries valued at well over $1,000,000 and these properties are rented and bring in a revenue annually of within $2,500 of taxes and insurance. Some of the properties are extremely well located but their sale is dependent in a large degree upon improvement in business conditions in the Border Cities where they are located. Since the claims of preferred shareholders will largely be settled from proceeds of sale of real estate, it is impossible to say when payment will be made to preferred shareholders. Very few sales of the preferred stock were made on the Toronto Stock Exchange during 1932 and the current asked price is $5 per share with no bid. This quotation may possibly prove considerably under the ultimate liquidating value of the preferred shares.

Gatineau Power

I have been told by my broker that the first mortgage bonds of Gatineau Power are a good medium for investment, but before placing any money in this security I would like to have your opinion on the company.

Earnings of Gatineau Power Co. have shown gains during the past year and have been sufficient to cover interest requirements of the first mortgage bonds as well as all other charges. A substantial factor in this company's revenue is its contracts with the Ontario Hydro Commission, which are payable in U. S. funds. The contracts, for the most part, are on a long term basis, and these, together with revenue from certain other sources, are sufficient alone to cover first mortgage requirements. The fact that the company sells a portion of its output to newsprint companies places a speculative element in earnings since the newsprint industry is experiencing difficulties and, if the companies served became embarrassed, the situation would reflect in Gatineau Power's earnings. As we understand it, however, the company is able to earn its first mortgage bond interest aside from its revenue accruing from sales of power to such companies.

Dominion Stores

I hold 100 shares of Dominion Stores. What are the prospects?

Dominion Stores through ten years has expanded its business and though there has been declining revenue in 1932, the company has still continued to show a comparatively good position. Its prospects on the long view are good.

Canada Northern

Will you be good enough to let me have your opinion on Canada Northern Power Corp.? Did it improve its position in the past year?

Earnings of Canada Northern Power Co. have shown gains during the last year, due to increased activity in the mining districts it served. One point should be considered in connection with this company, namely, the possibility of competition from the Ontario Hydro. Though no definite step has been taken to enter the territory served by Canada Northern Power Co. in Ontario, the Hydro is seeking outlets for power developed at Abitibi Canyon, and competition from this source might adversely affect Canada Northern Power.

Calgary Power

Have you any information on earnings of Calgary Power Co.? I am considering selling my bond holdings in this company and would like to hear from you as to its financial position.

Balance sheet of Calgary Power Co. at the end of 1931 showed current assets of $784,360 against current liabilities of $4,047,224. Bank loans totalled $2,805,000 which the company expects, in due course, to liquidate through permanent financing. Funded debt at the end of 1931 totalled $10,000.000 of 5 per cent first mortgage bonds and an additional $2,600,000 was hypothecated against bank loans. The loans represented, in part, financing undertaken to enable Calgary Power to secure a controlling interest in Ottawa Valley Power Co.

Though no figures have been published on earnings during 1932, our understanding is that the financial statement will be satisfactory. The company is the leading utility in Alberta, and through a subsidiary, Prairie Power Co., is active in Saskatchewan as well. Though its working capital position leaves much to be desired, we know of no factor which is jeopardizing the company's position at the present time. It might be well to await publication of the annual report for 1932 before making a decision regarding the sale of your bonds.

McColl-Frontenac

I have been advised to purchase a few shares of McColl-Frontenac as a speculation. What do you think of the standing of this company?

McColl-Frontenac Oil has made satisfactory progress since its inception in 1927 and now ranks among the leaders in this industry. No details on earnings have been made public during the current fiscal year which closes January 31 but our understanding is that they have been maintained and that dividends have been earned. The common shares are on an annual dividend basis of 60 cents a share and current quotations indicate a yield of around 6½ per cent.

Canadian Pacific

I have noticed with apprehension that the market value of C. P. R. shares has steadily fallen and am wondering if this is a reflection of the company's position. What are the chances of a resumption in dividends?

The railway situation is very involved, revenue of both roads continues to decline and immediate outlook for C. P. R. common stock is not encouraging. The question of transportation is one of the biggest problems facing Canada today, and as yet no solution to the difficulties encountered has been found. In this light, merit of the C. P. R. common appears to lie in the long term possibilities. Prospects for an early resumption of dividends are slight.

Winnipeg Electric

Do you see any improvement in the position of Winnipeg Electric Co.? I hold a few shares in this company and would appreciate any advice you might have to offer or information you might have to give.

The situation surrounding Winnipeg Electric Co. is somewhat involved. As you probably know, its subsidiary, Northwestern Power Co., has defaulted on its bond interest and these bonds are guaranteed both as to principal and interest by the parent company. Winnipeg Electric has not been able to live up to its guarantee. Northwestern Power Co. has obtained a respite until May when the situation will come up for discussion again. Until this situation is clarified, the position of Winnipeg Electric remains somewhat uncertain.

Inter. Power

I hold a few shares of preferred stock in International Power Co., and would appreciate your views on the position of the company Is it one which is making progress?

International Power Co. has been hampered by depreciated currency in some of the countries in which its subsidiaries operate. Our understanding is that actual operations have been on a fairly satisfactory basis, and given an improvement in the exchange situation this company might be expected to make progress.

Bell Telephone

Would appreciate your opinion on the common stock of Bell Telephone Co. Were earnings sufficient to cover the common dividend in 1932?

Revenues of Bell Telephone Co. of Canada continue to decline and it is not expected that common share earnings in 1932 will show an improvement over those of the previous year. Business conditions find quick reflection in this company's operations; while the fact that the company's substantial expenditures on new equipment in recent years, together with increased interest charges, have tended to lessen the profits applicable to the common stock. Bell Telephone has an excellent record extending over a long period of years but in view of existing conditions, the possibility of a further reduction in dividend disbursements must be admitted.

Federal Grain

I have long been a reader of your paper and am taking advantage of your enquirers' service to ask your opinion of the current outlook for Federal Grain.

Owing to the larger crop handled last year, position of all grain companies has been strengthened and it is likely that Federal Grain Co. will show some improvement at the end of its current fiscal year. Though its finances were weakened in 1931, bank loans were reduced last year and a gradual improvement is hoped for over a period of years.

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Associated Bank:
Williams Deacon's Bank Ltd.
(Members of the London Bankers' Clearing House)

EXPRESS OPINIONS ON CENTRAL BANK

Hon. Vincent Massey Wants It, But R. S. White Does Not

Hon. Vincent Massey has recently expressed himself in a public address as favoring establishment of a central bank for Canada. On the other hand, R. S. White, K.C., expressed the opposite view in a recent speech before the Canadian Credit Men's Trust Association in Montreal. Prof. L. W. Moffitt, of Wesley College, Winnipeg, appeared to favor a Canadian central bank in a recent speech in that city.

In the course of his address, Mr. Massey denied that a central bank in Canada would be subject to political influence, and has been quoted as follows:

"I am afraid the banks are in politics now. Judging from the speeches which are made by independent politicians in Canada the banks are in the very vortex of controversy. The need is to take the banks out of politics, and if there is one agency which would keep all the delicate mechanism of financial policy out of political debate it is a central bank."

Mr. White asked for what purpose advocates of a central bank would have such an institution, and what end it would serve that is not already gained through the chartered banks. He stated that no satisfactory answer had yet been given to this question, and that establishment of a central bank in Canada would be a leap in the dark.

Prof. Moffitt, in his address to the Young Men's Liberal Club in Winnipeg, stated that a central bank would undoubtedly yield a profit to the treasury, and that the Canadian banking system was rigid compared with the British system which was dominated by the Bank of England.

These opinions are at least indicative of the interest being taken in the subject, and may be the forerunners of many more, from all classes in the community, both for and against the proposal.

Bank Chat on Current Topics

Banker Left Out in Cold

TO BE left out in the cold, miles from anywhere, on a winter night is not the most amusing situation in which a banker ever found himself. It is less amusing when it comes as part of the job and involves propelling oneself and one's baggage through six miles of snow in the small hours of the morning over lonely country roads.

A bank manager recently told us about an experience of this kind which he had when working at Peterborough, Ont. He was instructed to proceed to Marmora to substitute as ledgerkeeper for a few weeks and, as the only train to the village left Peterborough late at night, he telephoned the teller at his destination concerning transportation. He was assured that some one would meet him at Bonar Law, the nearest point on the railroad to Marmora.

* * *

IT WAS one day after Christmas and the season's festivities, including a game of cards in the staff's quarters at Marmora, were apparently too much for the teller. Instead of going to the station, he went to bed. Seemingly the alarm clock was expected to arouse him in time to meet the traveller. It didn't.

When the new ledgerkeeper stepped off the train at Bonar Law, which was merely a jumping off point, he was greeted by an absence of everything, including transportation. Distant farm houses were dark, the night was cold, and he was six miles from comfort at Marmora. A lonely and frigid walk to the village did not improve his spirits. Nor did the fact that on his arrival he found the living quarters of the bank staff locked and darkened.

By kicking on the door, the travelling ledgerkeeper achieved success as a human alarm clock, and thus managed to get a roof over his head at 4.30 a.m. Such is the life of a country banker.

* * *

The Bank and Boots

NEVILLE CHAMBERLAIN, chancellor of the exchequer of the United Kingdom, recently cooperated with the Bank of England to throw a monkey wrench into the seemingly smooth working machinery of a $25,000,000 sale by Drug, Inc., the big United States drug and trading company.

Such is the influence of the Old Lady of Threadneedle Street that when she requests a thing of the leading British banks they follow her suggestion. In this case, L. K. Liggett of Boston had virtually arranged sale of Drug's 75 per cent controlling interest in Boots Pure Drug Co. Ltd., a British company, to a syndicate headed by P. E. Hill, head of a group of competing firms. Such a deal would have yielded the United States company a profit of $15,000,00 on its purchase of the Boots company for $10,000,000 in 1921.

Mr. Chamberlain ruled that the $25,000,000 could not be transferred out of the United Kingdom because it would seriously impair the foreign exchange position of sterling. The Bank of England had previously intimated to the big British banks that it would not be advisable to float new foreign issues on the British market, this suggestion having been made some time before to aid in conversion of the five per cent war loan. It had been understood however that the bank was not opposed to the Boots transaction.

London bankers are said to have been somewhat surprised to learn that the Bank of England's financial dictatorship could extend to such private transactions. Latest reports indicate that a new plan is now being worked out to complete the deal without disturbing The Old Lady.

Staff Changes

The Canadian Bank of Commerce announces the following changes in staff appointments:

J. NICOLL, to be supervising architect of the Dominion Realty Co. Ltd., and also supervisor of bank premises.

N. W. KYLE, formerly manager at Lakefield, Ont., to be manager at Wellington, Ont.

COL. DUNCAN DONALD, supervisor of bank premises, will retire on March 1, 1933.

Achille Marchand, for 35 years, prior to 1923, manager of the Victoriaville, Que., branch of the Molson's Bank, died in Outremont on Jan. 24. Mr. Marchand had been in retirement since 1923.

Life Managers' Club Formed at London

Inaugural meeting of the Life Managers' Club of London was held in that city recently. H. A. Urquhart, Excelsior Life, was elected president for the coming year. Other members of the executive are: vice-prsidnt in charge of publicity, Wm. A. Torney, London Life; vice-president in charge of memberships, Reg. Adam, Ontario Equitable; vice-president in charge of programmes, Allon Peebles, Northern Life; secretary, Arthur F. Leggatt, Standard Life.

Current Events in Banking World

Canada Well-known to Dudley Dawson

New "G. M." of The Dominion Bank is Business Man, Banker and Golfer—Started as Junior Clerk—Popular With Staff

By C. W. STOLLERY

Dudley Dawson, newly appointed general manager of The Dominion Bank, has had varied personal contacts with business, banking and agriculture throughout eastern and western Canada. In addition to being a thoroughly trained banker, Mr. Dawson is an ardent golfer, having been amateur champion of Manitoba four times during his nine years residence in Winnipeg, when he was assistant manager in that city.

Mr. Dawson's occupation is banking only. His sole business interest is in the Dominion Bank and its relationships with its customers. Judging by the signs of activity when he was interviewed by The Financial Post, the general managership of the bank keeps the new incumbent busy enough without other distractions.

Looks Business-like

Mr. Dawson gives the impression of a business-man banker. His energy is evident in his manner. He is tall, but not heavily built, has clear blue eyes and gray hair. "A human type of man" is the description given by a member of his head office staff. On his past record he should prove a distinctly popular "G. M." with the bank's employees.

Possibly some of Mr. Dawson's popularity with the staff is due to his long experience with the bank, in the course of which he has risen from the position of junior clerk in a village branch to that of general manager. He joined the bank at the age of 16 in December, 1896, just after leaving Trinity College Schools, Port Hope, Ont., and his first position was that of junior clerk at Uxbridge, Ont.

Sent to Winnipeg

His first important post was at Winnipeg, to which branch he was appointed as accountant in 1906.

This was the start of over 12 years of banking experience in Western Canada, which now forms a valuable part of the new general manager's knowledge of Canadian business conditions. In April, 1908, he was made assistant inspector at head office in Toronto. In March, 1909, Mr. Dawson returned to Winnipeg, this time as assistant manager.

Winnipeg was Mr. Dawson's centre of operations for the nine succeeding years, during which period he toured back and forth, visiting prairie branches, in the course of inspection work. In March, 1918, Mr. Dawson was recalled to Toronto to become inspector at head office, and did not return to the West until 1921.

From February, 1918, until January, 1920, Mr. Dawson acted as inspector at head office and at the latter time was made inspector of eastern branches. This inspection work in the East entailed visits to many branches which further broadened Mr. Dawson's knowledge of Canadian affairs. This period of experience in the East was closed in October, 1921, when he was appointed manager at Vancouver.

After three years in Vancouver, which further enlarged his western experience, Mr. Dawson was brought back to the East in 1924 to take the position of manager of the Toronto main branch. He held this important office for five years, being appointed superintendent of branches in July, 1929, at head office. In May, 1931, he was made assistant general manager at head office, and a few days ago became general manager, succeeding C. A. Bogert, who was elected president.

Born in 1880, Mr. Dawson is at the age which allows of most effective service to the bank. He has been in the service of the institution for just over 36 years.

Won Golf Titles

In addition to his knowledge of business conditions throughout Canada Mr. Dawson is familiar with many of the leading golf courses of the Dominion. In addition to the amateur championship of Manitoba, which he won four times, Mr. Dawson has held the club championships at the Shagnessy Heights Golf Club in Vancouver, at the Toronto Golf Club, and at the St. Charles Country Club in Winnipeg, the latter on two occasions. He is also a former captain at the Toronto Golf Club, and an ex-member of its board of directors.

Made President

C. A. BOGERT

Formerly vice-president and general manager of The Dominion Bank, who was elected president of the bank following the recent annual meeting. Mr. Bogert is about to complete his 52nd year of service with The Dominion Bank and is also a director of the Canada Life Assurance Co.

Bank of Montreal at Regina Celebrates 50th Birthday

In connection with the recent celebration of its fiftieth anniversary by the Regina branch of the Bank of Montreal, G. H. Harman, manager of the branch, stated that this was the first branch of a chartered bank to be established on the prairies, west of Winnipeg.

The branch was established in Regina almost simultaneously with the building of the C. P. R. to the city in 1882.

Insurance for Buyer and Seller

NEW BUSINESS OF NORTH AMERICAN TOTALS $26,000,000

Assets Total $47,000,000 at End of 1932, Report Shows

New business issued, revived and increased by the North American Life Assurance Co in 1932 totalled $26,053,000, according to figures published in the company's 52nd annual report. This is a decline of 12.4 per cent from the corresponding figure of the previous year. Total business in force was lower by $4,800,000 at $193,053,000.

Total income was slightly lower during the year, due largely to the inclusion a year ago of a $236,000 item "net profit from sale of investments, including real estate," which doubtless included moneys received in respect of the company's new head office building. Moneys received from interest and rents were slightly higher but rate of interest earned on mean invested assets declined slightly to 5.70 per cent as against 5.92 per cent a year ago.

Disbursement Up 18 Per Cent

Disbursements to policyholders showed an increase of 18 per cent to $5,835,000, the amount paid out in surrendered and matured policies alone being $3,072,300.

Analysis of the company's assets shows the total slightly above the corresponding figure for 1931 at $47,299,000. Of this, 30 per cent is invested in government, government guaranteed and municipal bonds; 28 per cent in first mortgages; 18.6 per cent in policy loans and 10.8 per cent in public utility and corporation bonds. The most important change during the year was the increase in policy loans, which now stand at $8,475,000.

Surplus earned before writing off book value of securities by $1,164,841 and increasing investment reserves by $200,000, was $1,753,000. The net debit to surplus account for the year was about $1,000,000, the total of free and allotted policyholder surplus at the end of the year being $6,035,000.

The company held its annual meeting for the first time in the new building on King Street which was opened recently.

Comparative figures for leading items follow:

	1932 $	1931 $
New Business		
New ins. issued* ..	26,053,045	29,747,293
Bus. in force	193,052,844	197,848,571
Income and Disbursements		
Prem. income	6,399,133	6,573,900
Int., rents, etc. ...	2,505,695	2,498,946
Total income	9,345,637	9,726,496
Payments to policyholders & benefic.	5,834,891	4,930,870
Assets and Liabilities		
Govt. & mun. bonds	13,722,855	13,167,785
Other bonds & stocks	9,119,225	10,397,250
Mortgages	12,471,608	12,700,064
Policy loans	8,475,111	7,768,927
Total assets	47,298,633	46,855,113
Statutory reserves ..	37,903,560	37,016,668
Investment res.	1,100,000	905,000
Free & apportioned supplies	6,035,328	7,007,959

*Includes policies issued, revived and increased.

Insurance Inklings

JOHN A. FLANDERS, of Winnipeg, has been elected a director of the Monarch Life Assurance Co. Mr. Flanders has an outstanding reputation as a valuator with many years experience in real estate and mortgage investments.

MURRAY M. JARVIS, manager of the casualty department of C. E. L. Jarvis & Co., St. John, N.B., died on January 16. Mr. Jarvis was well-known in insurance and sporting circles throughout the Maritime Provinces.

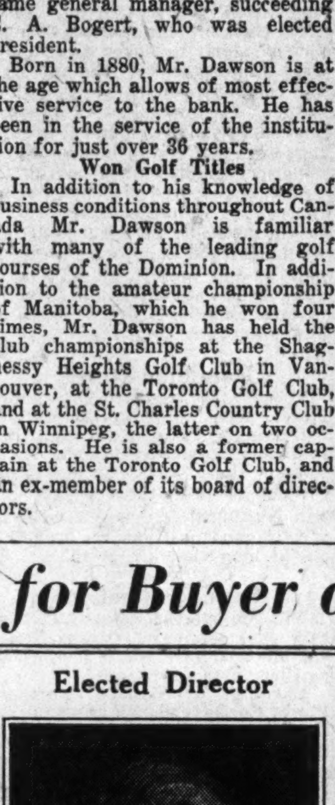
North British and Mercantile Insurance Co. announces the following staff changes:

RONALD WOODCOCK, formerly manager at Winnipeg, has resigned to enter the agency field.

HAROLD PELLOWE, formerly manager at Vancouver has been appointed to succeed Mr. Woodcock.

S. C. HOPKINS, casualty secretary at Vancouver has been appointed manager to succeed Mr. Pellowe.

Elected Director



D. E. KILGOUR

General manager of the North American Life Assurance Co., who was elected a director of the company at the annual meeting last week.

ONT. FIRE LOSS EXACTLY EQUAL TO 1931 TOTAL

But Dwelling and Store Fires Show Sharp Rise in 1932

Fire losses in Ontario for 1932 totalled $15,466,000—within $600 of the corresponding figure for 1931 according to figures published by the Ontario Fire Marshal this week. Loss covered by insurance, however, is nearly $1,200,000 higher than a year ago at $13,640,000. Number of fires was 15,862 against 15,121 a year ago.

Analysis of the year's losses reveals that a substantial decline in the total of factory fire losses and in barn fires was offset by an increase in value of dwelling and store fires. The number of dwelling fires increased by over 1,000 or 10 per cent during the year.

Comparative figures analyzing four leading classes of risk, follow:

Four Leading Classes of Fire Loss in Ontario

	1932		1931	
	No. of fires	Loss	No. of fires	Loss
Barns .	865	$1,997,095	1,143	$2,785,274
Dwellings	11,684	3,924,176	10,559	3,296,022
Stores .	1,257	3,117,898	1,226	2,780,430
Factories	375	1,887,891	873	2,296,564
Total (all classes)	15,862	15,466,070	15,121	15,466,681

Fire loss in December, the figures show, increased by $874,000 over the corresponding figure of a year ago. The total for December, 1932, was $1,977,867 of which $1,800,000 was covered by insurance. The largest loss was the burning of the Clifton House at Niagara Falls which is placed at $687,500. Number of fires also increased to 1,437 against 1,269 in the same month a year ago.

EXCELSIOR LIFE BUSINESS ISSUED TOTALS $15,486,000

Business in Force Now Stands at $94,631,000; Assets Up

New business issued and revived by Excelsior Life Insurance Co. in 1932 totalled $15,486,000, a decrease of 18.6 per cent from the corresponding total of 1931, according to figures presented at the company's 43rd annual report last week. Business in force now stands at $94,631,000 against $98,020,000 at the end of 1931.

Income from premiums and from interest and rents was slightly lower than in 1931 and interest earnings on the company's investments amounted to 5.45 per cent against 5.74 per cent a year ago. Total disbursements to policyholders was also higher at $2,094,570, of which payments on account of surrender values, annuities and so forth totalled $801,831. Mortality was reported as the lowest in many years.

Total assets were higher by over $600,000, the distribution showing the bulk of the company's holdings in bonds and debentures. These are taken in at book value. The only substantial change in chief items is an increase in policy loans of $500,000. Of total assets the company reports less than 6.25 per cent as invested in mortgages and real estate in Western Canada. Real estate mortgages in Ontario, which are said to comprise over 14 per cent of total assets, are said to be in first class condition, with the exception of not more than 8 mortgages, aggregating less than $25,500 in principal and interest.

Changes in reserve and contingency funds during the year include a transfer of $270,000 from surplus to contingency reserve, bringing the latter account to $600,000. $70,000 has been written off Western real estate and mortgages. Free surplus at the end of the year stands at $1,500,000, a slight increase over a year ago.

Comparative figures follow:

	1932 $	1931 $
New Business		
New business*	15,486,433	19,023,622
Bus. in force	94,631,095	98,020,207
Income and Disbursements		
Net prem. inc.	2,763,258	2,908,980
Int., rents, etc. ...	931,171	939,211
Payments to policy holders & benefic.	2,094,574	2,000,065
Assets and Liabilities		
Bonds	8,219,700	8,226,862
Mortgages	4,112,449	4,122,818
Policy loans	4,021,302	3,496,243
Total assets	18,708,202	18,064,841
Statutory res.	15,847,291	15,357,612
Conting. res.	600,000	400,000
Free surplus	1,505,140	1,454,227

*Issued and revised.

New Officers Elected by Life Underwriters

Election of officers for 1933 featured the annual meeting of the Canadian Life Underwriters' Asosciation of Canada at Toronto last week. G. Raymond Smith, of Halifax, was elected persident to succeed R. George McCuish, of Vancouver, who will be vice-president for 1933.

Provincial vice-presidents for the year are as follows,

British Columbia—W. E. G. McLagan Sun Life, Victoria.

Alberta—E. L. Churchill, Great West Life, Edmonton.

Saskatchewan—J. E. Hallonquist, Imperial Life, Moose Jaw.

Manitoba—C. S. Turner, Great West Life, Winnipeg.

Ontario—Frank Robinson, Mutual Life of Canada, Ottawa.

Quebec—J. A. Vidal, Crown Life, Sherbrooke.

New Brunswick—P. M. Monahan, Canada Life, Saint John.

Nova Scotia—W. P. Moore, Confederation Life Halifax.

Prince Edward Island—A. R. McInnis Imperial Life Charlottetown.

Foreign Exchange

ANOTHER period of weakness for the Canadian dollar was recorded in the week ended Jan. 30. The quotation for Canadian funds in New York dropped from 86⅞ cents to 85⅝ cents during the week, and as the premium on United States funds rose, other currencies also improved at the expense of the Canadian dollar. In other words the decline of the Canadian dollar was not experienced by other currencies, at least not to the same extent.

In terms of the Canadian dollar, sterling rose from $3.90¾ to $3.97½ between Jan. 24 and Jan. 30. On the same basis, francs improved from 4.48¾ cents to 4.57 cents; lira, from 5.88½ to 5.98¾; reischmarks, from 27.38 to 27.84; belga, from 15.93 to 16.26, and yen, from 24.30 to 24.75. Empire currencies showed the same trend.

* * *

WHILE the decline in wheat shipments from Canada might account for some of this pronounced weakness of Canadian dollars in terms of leading currencies, there would also seem to be some other influences at work of at least as great importance. The wheat export season reached its peak before the navigation season closed in December, so that this factor is not a new one and it alone would hardly account for the altered trend.

Probably a nervous psychological attitude in foreign financial quarters has played a part in this general decline. Although the Prime Minister has voiced himself strongly against inflationary measures for Canada, it is more difficult to dispel rumors of such a policy than to create them.

FOREIGN EXCHANGE
New York Funds

	High (Premium) %	Low (Premium) %	Last Year High (Premium) %	Last Year Low (Premium) %
Jan. 24 ...	15 9-16	14 7-8	16 1-2	16 1-4
Jan. 25 ...	15 1-2	14 7-8	16 1-4	15 3-4
Jan. 26 ...	15 7 8	15 1-8	15 5-8	15
Jan. 27 ...	16 7-16	15 3-4	15 1-4	15 1-8
Jan. 28 ...	17 1-4	15 5-8	15 1-4	15 1-8
Jan. 30 ...	17 3-4	17 1-8	15 7-8	15 3-8

STERLING, FRANCS AND LIRE
Close Demand in New York

	Sterling	Francs	Lire
Gold par	$4.866	$0.03918	$0.526
Jan. 24 ..	3.39 5-8	0.390 13-16	0.511 3-8
Jan. 25 ..	3.39 3-8	0.390 3-8	0.511 3-8
Jan. 26 ..	3.39 1-4	0.390 1-4	0.511 1-8
Jan. 27 ..	3.38 3-8	0.390 3-8	0.511
Jan. 28 ..	3.88 5-8	0.390 5-16	0.511
Jan. 30 ..	3.39 1-16	0.390 7-16	0.510 7-8

Close Demand in Toronto

	Sterling	Francs	Lire
Gold par	$4.866	$0.03918	$0.0526
Jan. 24 ..	3.90 3-4	0.0448 3-4	0.0588 1-2
Jan. 25 ..	3.90 3-4	0.0449 1-4	0.0589
Jan. 26 ..	3.91 3-4	0.0451	0.0591 1-4
Jan. 27 ..	3.93 1-8	0.0454	0.0595
Jan. 28 ..	3.95 1-2	0.0456	0.0597 3-4
Jan. 30 ..	3.97 1-2	0.0457	0.0598 3-4

	Reichsmark	Belga	Yen
Gold par	$0.238	$0.139	$0.498
Jan. 24 ...	0.2738	0.1593	0.2430
Jan. 25 ..	0.2740 1-2	0.1593	0.2432
Jan. 26 ..	0.2752 1-2	0.1602	0.2443
Jan. 27 ..	0.2770	0.1614 1-2	0.2460
Jan. 28 ..	0.2782 1-2	0.1622	0.2469
Jan. 30 ..	0.2784	0.1626	0.2475

Weekly Bank Clearings

Eastern Cities

	Jan. 28, 1932	Jan. 26, 1933
Halifax	$ 2,102,670	$ 1,550,676
Saint John	1,727,557	1,350,024
Moncton	608,645	547,943
Sherbrooke	515,001	407,391
Quebec	3,872,851	3,270,515
Ottawa	4,268,229	3,041,309
Montreal	85,268,572	71,936,407
Kingston	483,659	399,906
Peterborough ...	468,854	491,403
Toronto	68,197,905	76,678,771
Hamilton	3,301,849	2,729,016
Kitchener	772,193	659,986
Brantford	624,689	537,372
London	2,225,391	1,981,881
Chatham	419,349	331,128
Windsor	1,931,366	1,766,968
Sarnia	306,871	380,193
Sudbury	472,950	348,123

Western Cities

	Jan. 28, 1932	Jan. 26, 1933
Fort William ...	$ 268,897	$ 354,367
Brandon	295,904	183,351
Moose Jaw	510,270	350,524
Regina	2,612,252	2,229,534
Saskatoon	1,107,080	865,990
Prince Albert ..	239,908	158,488
Edmonton	3,256,548	3,583,842
Calgary	4,475,563	3,517,480
Medicine Hat ...	160,024	147,505
Lethbridge	275,136	250,082
New Westminster	412,060	297,603
Vancouver	12,448,329	9,952,092
Victoria	1,327,406	1,187,805

MARITIME LIFE ISSUED $2,146,100

Business in Force of Halifax Company Now Totals $12,314,000

New business issued and revived in 1932 by the Maritime Life Assurance Co totalled $2,146,100 against a corresponding figure of $2,548,500 in 1931, according to the annual report presented at the company's annual meeting held at Halifax on January 26. Total business in force at the end of the year was only slightly below the corresponding figure of 1931, at $12,314,000.

Income from interest and rents showed an increase but premium income showed a decline. Payments to policyholders rose substantially due largely to surrender values increasing from $10,800 in 1931 to $28,500 in 1932. Death and disability claims were also higher.

Holdings of bonds and stocks taken in at book values show an increase for the year while policy loans are also considerably higher. Total assets increased by $170,000. Policyholder surplus is slightly lower at $241,000 while amount set aside to adjust book value of investments to authorized values as fixed by the federal insurance department is increased from $71,000 to $86,000.

Comparative figures follow:

	1932 $	1931 $
New Business		
New bus. issued* ...	2,146,114	2,548,460
Bus. in force	12,313,901	12,362,128
Income and Disbursements		
Prem. income	320,527	328,155
Interest and rents ...	58,989	51,882
Payment to p'holders, etc.	80,086	57,186
Assets and Liabilities		
Bonds and stocks † ..	830,448	775,324
Mortgages	230,164	207,944
Policy loans	89,361	53,852
Total assets	1,337,367	1,169,192
Statutory reserves ...	994,224	834,692
Invest. reserve	86,197	71,243
Pol'holders' surp.	241,345	250,596

*Including renewals. †At book value.

Canada Life Has Margin in Policy Reserve Basis

Canada Life Assurance Co. at the end of 1932 has set aside in policy reserve liabilities some $5,000,000 more than would be necessary if the minimum valuation basis as required by the federal insurance department had been used, according to a statement made by A. N. Mitchell, general manager of the company at the annual meeting held recently.

In last week's issue, The Financial Post quoted Mr. Mitchell as stating that the book values of assets used by the Canada Life were $5,000,000 less than those allowed by the government. In speaking of the $5,000,000, Mr. Mitchell was not referring to the assets but to the policy liabilities, as can be clearly seen from the following excerpt from his address:

"Once more also we have maintained the same strong basis which the company has used for many years in calculating our policy liabilities. This requires the setting aside of over five million dollars more than would be necessary if the minimum valuation basis required by the insurance laws of the Dominion of Canada were followed."

What is Your Answer?

WOULD you make a contract with your business partner whereby following his death your income from the business would be reduced 85%?

Obviously you would not.

But isn't it true that you now have that agreement with your partner at home—your wife and children?

In other words, assuming that 85% of your income is earning power, and 15% of your income is from investments, is not your financial plan at home exactly the same as under such an agreement with your business partner?

Your wife must carry on the business at home and assume your responsibilities with a very small income. Does not your family need more life insurance indemnity against the inevitable destruction of your earning power?

Consult a representative of the
SUN LIFE ASSURANCE COMPANY OF CANADA
HEAD OFFICE-MONTREAL

THE
PRUDENTIAL
ASSURANCE COMPANY LIMITED OF
LONDON ENGLAND
LIFE FIRE
CASUALTY
Total Assets of all Branches Exceed - - 1240 Million Dollars
Claims Paid Exceed - - - - - - - - 1850 Million Dollars
HEAD OFFICE FOR CANADA DOMINION SQUARE BUILDING MONTREAL
The Largest Insurance Organization in the British Empire
Established 1848

Operating in Quebec, Ontario, Manitoba, Saskatchewan, Alberta and British Columbia
FIRE AUTOMOBILE WINDSTORM
Insurance in force over $250,000,000.00
Total Assets over 3,000,000.00
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Head Office—Wawanesa, Man.

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Vancouver
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Edmonton
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WRITING FIRE AND AUTOMOBILE INSURANCE AT COST. ASSETS $4,616,449.70
ALL POLICIES NON-ASSESSABLE, PAYING DIVIDENDS RANGING FROM 20% TO 30%

PAY LESS FOR YOUR INSURANCE
Apply to your agent for information regarding our low premium rates, absolute protection and quick settlements. All risks reinsured with Lloyds of London, England.
Sound underwriting and conservative investment policy of this Company make for permanent strength and confidence.
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"ASSURED SECURITY!"

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— *The Excelsior Life standing at December 31st, 1932* —
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TO LIVING POLICYHOLDERS - $1,581,058
IN DEATH CLAIMS - - - - - 513,515
TOTAL ASSETS FOR PROTECTION OF POLICYHOLDERS— $18,708,202
An *increase* of $643,360 over 1931
NEW INSURANCE, ISSUED AND REVIVED, IN 1932— $15,486,433
TOTAL INSURANCE IN FORCE— $94,631,095
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This Week in Wheat

From Our Own Correspondent

Expect Higher Exports for Canada

WINNIPEG.—The past week has seen comparatively little change either in the tone of the wheat market or in the prices there registered, doubtless a reflection of the fact that little change had occurred in the fundamentals of the situation.

World shipments, at 13,780,000 bushels, were 2,500,000 down from the previous week. "On passage" stocks, which were larger by 2,500,000 bushels, indicated that disappearance into consuming channels is at a comparatively small rate, as a result of the limited takings of the continent. United Kingdom arrivals are about at the rate required to cover average weekly consumption there, and are higher than a year ago.

On account of the absence of reserve stocks on which millers can draw, Oriental takings, mainly of Australian wheat, are good. Canada, Australia and the Argentine continue to divide world shipments, with other countries providing practically nothing. Canadian shipments hold some of the recovery made the previous week from a very low level of the week before, and will probably be about 4,000,000 bushels. That is decidedly less than the average Canada must ship for the remainder of the crop year if our exports are to reach a satisfactory total.

* * *

BOTH local opinion and that recorded in other markets is that a higher rate of Canadian exports is shortly to be expected, but until it materializes market prices seem unlikely to respond readily to constructive factors, but before long fairly definite information as to how the United States winter wheat crop has come through, may, if it confirms only a part of what is believed to be the extent of damage, be an important influence.

* * *

World Markets Not Unduly Pressed

SOME 80 per cent of Canada's 1932 wheat crop in the Prairie Provinces had been sold at Dec. 31, 1932. Exports of wheat and wheat flour in the five months ended Dec. 31, 1932, amounted to 151 million bushels, compared with 110 million bushels for the same period of the 1931-32 crop year, according to the monthly review of the Dominion Bureau of Statistics.

During the four months ended Nov. 30, 1932, imports of wheat into the United Kingdom amounted to 68 million bushels, compared with 100 million in the same period of 1931. Canada supplied some 38 million bushels of the 1932 total to Nov. 30. It is expected that United Kingdom imports will average higher during later months of the crop year.

Some relief from selling pressure on European markets has been provided, the review indicates, by diversion of substantial portions of the Australian exports to the Orient. It is estimated that China, Japan and India may take one-half of the Australian surplus for the present crop year.

Shipments from the Argentine, where a lower than average crop has been harvested, have not yet been pressed on the market, but such sales are bound to develop, it is pointed out. World shipments during the present crop year have amounted to 283,000,000 bushels, compared with 379,000,000 bushels for the same period of 1931-32. Part of the crop this year compared with last year is due to smaller total imports into the United Kingdom.

* * *

Australia Sells in Orient

AUSTRALIA'S continued heavy shipments to the Orient are a source of encouragement to the trade. Of 5,000,000 bushels shipped last week, 3,000,000 bushels were reported as consigned to non-European destinations, and although details were not furnished, China would doubtless come first, Japan second and India third.

The Oriental demand was slow in developing during the current crop year, and had not amounted to a great deal before December, but it fortunately developed in volume just at the time that Southern Hemisphere wheat began to seek an outlet. Otherwise the pressure on the Liverpool market might have been much greater than it currently is.

Great Britain usually absorbs about half of the Australian wheat exports, while Continental Europe takes practically none, as it has no mixing value in combination with domestic wheats. But Egypt, India, China and Japan look to Australia for the bulk of their imports, and to the increase of imports in those countries in recent years a good deal of the development of Australian wheat acreage is to be attributed. Not long ago Australian wheat sold in Liverpool above Canadian Northern, and now commands a price slightly above No. 2 for shipment from Vancouver.

WHEAT IMPORTS INTO U. K. DOWN 32.2% IN FALL

Sources of Supply Altered to Canada's Benefit

56% FROM CANADA

Healthier Condition Seen in British Market Due to Less Pressure—U. S. Loses Ground

A major shift in the source of supplies, greatly reduced stocks and a contraction of 32.2 per cent in imports of wheat were recorded in the United Kingdom during the first four months of the current crop year. Canada is estimated to have supplied about 56 per cent of the total British imports in this period, compared with an estimate of less than 20 per cent in the same period of 1931-32, according to the Dominion Bureau of Statistics.

Imports of wheat into Britain in the August-November period amounted to 68,083,909 bushels in the current year, compared with 100,413,873 bushels in the same 1931-1932 period. The chief reason for this diminution is that during the present crop year imports are considered to have reflected current demand, while during the same period of the 1931-1932 year imports were greater than current needs, and large stocks were built up.

Pressure Absent

As a result of the pressure of wheat into the British market in the fall of 1931, the United Kingdom imported only 9.5 million bushels of wheat in January, 1932. It is probable that this figure has been materially exceeded for January, 1933. The present situation is said to reflect a notable lack of pressure on the Liverpool market.

Sources of supply were altered in the four months from Aug 1. to Nov. 80, 1932. The United States ceased to be a serious factor in the United Kingdom market in the period. This is shown in the following table:

Imports of Wheat by United Kingdom Aug. 1 to Nov. 30, 1932

Source:	Bushels
Canada	37,568,570
United States	2,178,392
Argentine	4,044,803
Australia	11,707,086
Russia	3,659,304
Others	8,925,754
Total, 1932	68,083,909
Total, 1931	100,413,873

Of great interest to Canada has been the marked shift in the source of British imports. One of the most difficult problems is international grain statistics in the past has been the calculation of the actual amount of Canadian wheat which has been consumed in the United Kingdom. Canadian trade returns have never indicated even approximately the amount of Canadian wheat exported to the United Kingdom. The situation has been due to the changing of the ultimate destination of Canadian wheat after being officially cleared from Canada as an export.

Errors in Statistics

Official Canadian export figures have consistently exaggerated the movement of Canadian wheat to the United Kingdom. On the other hand official British import statistics have consistently under-stated the Canadian position in the United Kingdom. British import figures have credited to the United States varying amounts of Canadian wheat shipped through United States ports. Similarly British import figures have credited to Canada small amounts of United States wheat exported through Canadian ports. On balance, the two situations have resulted in the United Kingdom minimizing the amount of Canadian wheat actually imported.

An interesting situation is shown in the above table. With the United States largely out of the market, there has been little confusion of Canadian and United States wheat as far as British import statistics are concerned. The margin of error in the above figures is necessarily small and British import figures are substantially correct for the period covered.

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Grain and Milling in Canada

Garnet Controversy Shelved For Another 12 Months

Opposition to Establishing Separate Grade Overrules Recommendations of Federal Departments

From Our Own Correspondent

WINNIPEG.—The Garnet wheat controversy appears to have been shelved for another year.

In spite of the recommendation of the Board of Grain Commissioners, and of the Department of Trade and Commerce, a good deal of opposition has remained for establishing separate grades for Garnet wheat.

Farmers in the Northern parts of Manitoba, Saskatchewan and Alberta, where Garnet wheat has out-yielded all other varieties fear that labelling their wheat with another trade name, hitherto unknown to customers, may result in their having to accept a lower price than they now obtain, and on the whole they prefer the present system, under which, although their wheat may not be graded No. 1 Northern, it is eligible for No. 2 Northern.

They have been offered another wheat, Reward, which is considered to be equal to Marquis wheat for milling purposes, and which will ripen in as short a growing period as will Garnet. Whether under equal conditions it will yield as well as Garnet is a matter of argument, but the farmers' chief objection to Reward wheat is its susceptibility to loose smut.

Rust is a disease, which unlike rust, attaches to the seed itself, and if clean seed is sown there is no likelihood of smut. Any farmer who has once experienced smut, and had his wheat degraded as a consequence, makes treatment of his seed against ordinary smut a matter of routine. But loose smut is not to be cured by the comparatively simple means which control the ordinary kind of smut. It requires prolonged immersion of seed in hot water which must be kept as carefully controlled temperatures within prescribed limits, and such treatment, while quite practicable for small seed plots, is almost out of the question in ordinary farm practice. So northern farmers are quite likely to keep on with Garnet, and if after separate grading is established, their wheat is found to sell at a greater discount than formerly under No. 1 Northern, some discontent on their part is to be anticipated.

Canadian millers are unchanged in their dislike for Garnet, and the slightly yellowish tone of its flour is much more objectionable to them than it is to the miller in Europe, where the color is corrected by the other wheat with which it is mixed in the milling. This may provide an argument that separate grading is unnecessary, or on the other hand that separate grading will do no great harm to the producer.

FEAR AGAIN FELT OF GRASSHOPPERS IN WHEAT AREAS

Plans Laid to Combat Plague But Weather is Best Hope

From Our Own Correspondent

WINNIPEG.—There is the possibility of an extremely costly visitation of grasshoppers in Manitoba, in the spring wheat areas of North and South Dakota, and to some extent in Saskatchewan and Alberta this coming season.

Last year's grasshoppers succeeded in laying their eggs in countless millions, and these, given conditions exactly right for them, might produce swarms of grasshoppers greater than the western plains have seen since farming was there first begun. But the grasshopper requires a good deal in the way of favorable weather conditions. A spell of early fine weather, warm enough to encourage hatching of eggs, if followed by heavy frosts, may dispose of the great majority of them.

Damp Weather Fatal

Damp weather, too, may be fatal, and Manitoba feels encouraged in this respect because of the heavy coating of snow, much heavier than for years past, which now covers the greater part of the province. Reports from south of the border show a good deal of alarm there as to possible damage.

Preparations for extensive poisoning campaigns are under way wherever there are known to be extensive deposits of eggs and if the production of hoppers is not too great, such campaigns can be very effective. The aim is to catch the grasshopper early, when he is still in the hopping stage and his movements are comparatively limited. Poison can be so spread as to restrict the advance of the hopps from the grass land, where they are first hatched out, into growing crops, but after they have acquired wings such measures are of no avail. But effective as poisoning can be, the farmer's present reliance is more upon the weather.

POOR PROSPECTS FOR INDIA CROP

Former Exporter Now Becomes Potential World Importer

From Our Own Correspondent

WINNIPEG.—Rather poor prospects for the Indian crop, rapidly approaching harvest, are receiving close attention. India, which prior to the war used to export more than 50 million bushels of wheat every year, is now a potential importer of a considerable quantity, although to date 20,000,000 bushels have represented her maximum imports.

Increase in population, which in 1913 was recorded at 315,000,000 and in 1930 at 354,000,000, may be the principal cause which has shifted India from exporting to an importing country, but some change in food habits also appears to be indicted.

It is surprising to most people to be reminded that India seeds to wheat an acreage larger by twenty per cent than that which western Canada devotes to wheat, or from 31,000,000 to 32,000,000 acres annually. Most of this does not pass into trade channels at all, but is consumed where grown. Production per acre, however, is low, ranging from 9 bushels per acre in a poor year to 12 bushels per acre in a good year.

Total production seldom falls as low as 300,000,000 bushels in one year, while in 1931 it was 390,000,000. Exhaustion of old supplies is indicated by the recent direction of a number of Australian cargoes to India. Liverpool appears to think that India's imports of wheat will be fairly heavy during what will be the new crop year for that country, but they may not reach their greatest importance until close to end of the present calendar year.

BUYING OF LAND IS CHIEF CAUSE OF FARM DEBTS

Saskatchewan Expert Analyzes Fiscal Problems of Agriculturist

From Our Own Correspondent

SASKATOON.—Purchase of farm land, according to Dr. William Allen of the University of Saskatchewan, is the principal cause of indebtedness of Saskatchewan farmers.

Dr. Allen gave a paper on his study of the farm debt problem in Saskatchewan before a joint session of agricultural societies, livestock and dairy conventions, in Saskatoon last week, and his figures were based on compilations made respecting farms in five typical Saskatchewan municipalities.

Most Debts on Land

In the municipalities of Rosemount and Reford in the Scott and Wilkie districts 212 farmers out of 218 had debts. 90 per cent of these owed considerable sums on the purchase of land. Of the total indebtedness of these farmers 61.9 per cent was on agreements of sale, while 16.5 per cent was carried on mortgages. Purchase of implements accounted for 6.4 per cent, 3.3 per cent was owing to banks, 2.5 per cent was on account of taxes, and 1 per cent represented general store credit and gas and oil purchases.

It was found that the municipalities containing the richest and most productive land carried the largest load of indebtedness. In one near Yellowgrass, in southeastern Saskatchewan, average indebtedness per farm worked out at $14,700, or $23.69 per acre of crop land. Averages were based on crop land, excluding pasture or rough land unsuitable for cropping. An adjoining municipality had average debt per farm of $6,174, or $13.52 per acre, while a poorer one in the same district showed average indebtedness of $2,938, or $8.62 of crop land.

Much of the indebtedness incurred had arisen out of adding to the original area of farms.

Dr. Allen contrasted the figures which he gave with those which he had found last year in a corresponding study in the state of Iowa, where average indebtedness was $71.00 per acre.

AUSTRALIA SURPLUS ABOUT 150,000,000 BU.

One-third of Wheat Surplus Exported by Jan. 15

Australia will have a surplus of some 150 million bushels of wheat for export in the present crop year, and as the Dominion has already shipped over 48 million bushels, there remain about 102 million bushels still to be exported, according to the Dominion Bureau of Statistics.

The new Australian crop is estimated at 200 million bushels, which, added to the carryover from last year of 40 million bushels, indicates an available supply of 240 million bushels. Allowing 40 million of this total for next year's carryover and 50 million for internal consumption, the estimated exportable surplus in thus indicated as 150 million bushels.

On Jan. 15, the Canadian Trade Commissioner for Australia cabled that the Orient was bidding for Australian wheat and in the previous month had bought 25 cargoes. Japan has also taken six million bushels of new crop wheat. The Commissioner thinks the Orient will take about half the Australian surplus during the crop year. If this demand materializes, it will ease pressure on European markets.

Winnipeg Grain Prices

Week to January 31

Crop year from Aug. 1, 1932			Open	High for	Low for	Close
High	Low		Jan. 25	week	week	Jan. 31
		Wheat				
.67⅝	.40½	May	.45⅝	.47⅛	.46¼	.46¾
.54⅞	.41⅜	July	.47½	.48	.46⅞	.47⅝
.50¾	.46⅛	October	.48⅝	.49	.47⅛	.48⅝
		Oats				
.29½	.21⅛	May	.24¼	.24⅝	.24	.24
.26	.21½	July	.....	.24⅛	.23⅛	.23⅛
.23½	.21⅞	October	.22¾	.23	.22⅝	.22⅝
		Barley				
.38½	.26⅛	May	.30⅛	.30⅝	.29¾	.29¾
.35¾	.26	July	.29⅞	.30¼	.29¼	.29¼
.29½	.28	October	.....	.29¼	.28⅝	.28⅝
		Flax				
.94	.71¼	May	.79⅞	.80½	.78¾	.79¼
.84½	.71⅝	July	.80	.80¾	.78¾	.79¼
.84	.76	October	.80	.80¾	.79¼	.79¼
		Rye				
.42⅞	.30¼	May	.33½	.34¼	.33⅝	.33¾
.37	.31	July	.....	.34⅝	.33⅝	.34⅛

GRAIN MARKETING PROBLEMS VIEWED BY EXCHANGE HEAD

Montreal Corn Exchange President Outlines Difficulties

From Our Own Correspondent

MONTREAL.—Storage rates at St. Lawrence ports, advancing of grain at Montreal and open seaboard certificates were discussed by K. R. Ayer, president of the Montreal Corn Exchange in his address to members at the annual meeting of that body. These three items constituted major problems for the grain trade at Montreal, said the speaker, and they are all being given the closest attention by special committees.

In dealing with difficulties encountered in the question of handling charges at Montreal Mr. Ayer continued:

"The transportation and marketing of grain is a national problem of great magnitude and affects most every branch of business in the Dominion. It was thought by members of this association that the time had arrived when a survey of the St. Lawrence route as a grain carrying channel should be made. Alternate and competitive routes have made some progress during the last few years and the competition for grain today seems keener than ever before in the history of Canada. Grain flows through the cheapest channels and there is some doubt as to whether the handling charges at Montreal and its organization generally is as economically managed as the general conditions warrant. To compare the cost of loading, unloading or storing grain at Montreal with other ports and to say, if we can, that it is done as cheaply as elsewhere, is not sufficient. Every possible effort should be made to make it cheaper than any other port in North America.

Need Additional Storage

"The question of additional grain storage space has been discussed many times within the last number of years. There can be no doubt the Port of Montreal has lost much business by not having additional grain storage capacity. The lack of a building programme whereby the capacity would be increased annually is much deplored by those in the grain business and has resulted in at least one elevator being erected outside the confines of the port which attracts relatively much greater volume of grain than was thought possible. However, owing to a change in the personnel of the Harbor Commission, coupled with the continuation of unfavorable economic conditions, this question was dropped.

Grain Advances Stopped

"A communication was received toward the end of the year from the Harbor Commissioners of Montreal advising that in future they would not advance grain as heretofore because of lack of authority in the Canada Grain Act. A special committee was appointed to take this matter up with the proper authorities, as its seriousness to the Port of Montreal could not be over-estimated. The question is still being studied and it is hoped that an arrangement will be made whereby this practice may be continued.

"When the United Kingdom Duties Act became effective on March 1, 1932, it was necessary in order that Empire produced goods might obtain the Empire preference to submit a Certificate of Origin, a part of which was to be signed by the actual producer. In the case of grain, as far as Canada was concerned, this of course was quite impossible and the matter became adjusted after some difficulty."

Mr. Ayer pointed out that grain exports from Montreal in 1932 had been the best since 1928, actual experts totalling 105,592,420 bushels, which was an increase of 27,162,336 over 1931.

BANK SAYS EXCESS WHEAT AVAILABLE

S. Hemisphere Crops Will Dominate Markets, Says Royal Bank

"The total surplus of wheat available for export continues to be more than ample to meet all requirements," says The Royal Bank of Canada in a survey of the world wheat situation contained in its monthly letter for February. "Supplies in the Southern hemisphere are about the same as last year. Heavy stocks are still held in Canada and the United States. Russia and the Danubian countries, however, are not in a position to participate in wheat shipments in the volume of previous years.

"Winter wheat crops have suffered in Europe as well as in the United States, although the outturn cannot now be gauged and normal weather in the next few months would go far to improve the present outlook. Prices in the United States are above the export level; some shipments, particularly of the lower grades, will continue to be made. Competition of the new crops in the Southern hemisphere will prevent Canadian wheat from maintaining the predominant position enjoyed last autumn but substantial quantities will still be required by importing countries during the balance of the marketing year."

An indication of the reason for smaller imports of wheat into Europe is seen in the statement in the letter that "western Europe harvested bumper crops in 1932. New records were established in Germany, Italy, Spain, Portugal, Greece, Holland, Scandinavia and Czechoslovakia. French production was 65 million bushels larger than in 1931. The total yield in Western Europe is estimated at 1,380 million bushels as compared with 1,202 million bushels in the previous year. In order to dispose of these supplies, tariff and other restrictions on wheat imports have been substantially increased. The Danube Basin and Russia did not fare so well and crops are much smaller than for some years."

Argentine Has Yet to Ship 102,000,000 Bus. Wheat

Approximately 102 million bushels of the new Argentine crop remained to be exported at Jan. 15, 1933, according to the Dominion Bureau of Statistics.

This estimate is made on the basis of a crop of 231 million bushels, plus carryover of 40 million bushels. From the total of 271 million bushels, are deducted domestic requirements, of 95 million bushels, and estimated carryover for next year, of 50 million bushels, leaving total exportable surplus of 126 million bushels. Of this, 24 million bushels, or almost 20 per cent, had been exported by Jan. 15, 1933.

A report from the Buenos Aires correspondent of the Dominion Bureau states that the quality of the crop is variable and marketing is slow.

SEE POOR CROPS OF WINTER WHEAT IN RUSSIA, U.S.A.

Danubian Countries Uncertain Factor For 1933

Outlook for 1933 winter wheat crops in exporting countries is not good, and indications point to even smaller harvests that were reaped in 1932, according to the Dominion Bureau of Statistics. Russia and the United States, in particular, have sown substantially smaller acreages to winter wheat and unfavorable conditions in the late fall have further reduced the probable crops in these countries.

Official reports on the crop situation in the United States indicate that the condition of the winter wheat crop is the lowest since reports were first issued in 1863. It is said that the crop may not yield more than 400 million bushels. This is much below the usual annual yield of 500 to 600 million bushels, which approximation is exceeded in good years.

Unusually Small Acreage

While the United States acreage sown to winter wheat is usually not less than 40 million acres, only 39,902,000 acres were sown for the 1933 crop. This is the smallest acreage since 1923. Unseasonable weather and lack of moisture contributed to a very low condition figure on Dec. 1, 1932. At that date, the condition of the winter wheat crop was reported at 68.9 per cent of normal as compared with 79.4 per cent on Dec. 1, 1931, and 83.3 per cent, the ten-year average December condition figure. According to the U. S. Department of Agriculture, the relationship between Dec. 1 condition and abandonment in past years indicates a probable abandonment of over 20 per cent and a probable crop of less than 400 million bushels.

Russian Conditions Poor

Unfavorable conditions prevail in the winter wheat area of Soviet Russia. The area sown to winter wheat showed a reduction of 3 million acres under last year and considerably under the area actually planned for the 1933 crop. Private reports indicate that the winter wheat area in Russia is suffering from lack of snow covering and fairly heavy frosts. This situation leads to the belief that abandonment will be heavy and the outlook for wheat already sown is none too bright.

Danubian Crops

Another potential development in the wheat situation lies in the progress of the winter wheat crop in the Danube area. In Bulgaria, lack of moisture in some areas prevented the sowing of a full acreage. In Roumania the situation was generally favorable in the early part of December but with some areas showing very poor prospects. A wet November followed by farm weather has improved the situation in Yugoslavia. In Hungary weather in November was cold and dry but turned more favorable in the early part of December. The development of the Danubian wheat crops will be watched with interest and especially the degree of improvement or otherwise, which may follow the very poor crops harvested in 1932.

Argentine Wheat Crop Totals 220,000,000 Bushels

First official estimate of the 1932-33 Argentine wheat crop places it at 231,485,222 bushels, compared with a revised estimate of 219,700,530 bushels in the previous year. Adding to this carryover into 1933 of 13,036,623 bushels gives 244,521,845 bushels available this year.

Seed and domestic requirements account for 95,533,584 bushels of this total, leaving 148,988,261 bushels available for export. Regarding the market situation, a dispatch from Buenos Aires dated Jan. 30. to the Dominion Bureau of Statistics, Ottawa, states:

"Following the course which is almost traditional in this country, it is likely that there will be fairly free selling on the part of the farmers during the next few weeks, until from one third to one half of the prospective crop has been disposed of. There is really no alternative to this, and whether Europe wants to buy the grain or not it will certainly be given ample opportunity to acquire it, even though there is a loss to the farmer on every bushel sold.

"Lack of storage facilities, and worse still lack of finances, are compelling factors in the movement, and even if there would otherwise be any disposition to hold back the flow, public sentiment here would still be against it, such is the dread of being left with an unsaleable surplus weighing on the market as happened in Canada and the United States."

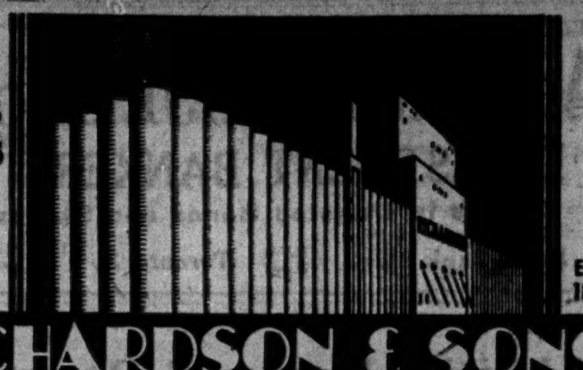
May Allow Preference on Grain Sent Via U. S.

A western report claims that the ban against shipments of Canadian wheat through Buffalo and United States ports under the British preference will be lifted in the near future.

This report is based on a second test cargo recently shipped on the S. S. Britannic. Documentation of the shipment was altered from that pertaining to the former test cargo which was carried by the Laconia. It is understood that a definite ruling on the Britannic cargo will be issued from London in a few days.

Tree Plantings Bulk Large

Since the Canadian Government instituted a tree-planting division in 1901, under the Department of the Interior, at that time, a total of 117,225,936 trees have been distributed free to farmers of the Prairie Provinces. Of this total 115,190,070 were deciduous or broad-leaved trees and 2,035,866 conifers.



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FORT WILLIAM — VANCOUVER
SEARLE TERMINAL LIMITED
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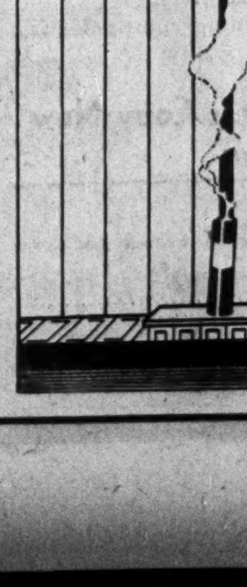

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Argentine: E. L. Clough, Buenos Aires.
Australia: Hugh Scott-Young, Melbourne, Australia.
New Zealand: H. W. Airey, Ltd., Auckland, Dunedin, Wellington.
South Africa: L. C. Carrick, Johannesburg.
Newfoundland: S. Elliott & Co. St. John's.
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Peru: M. E. Biber, Lima.
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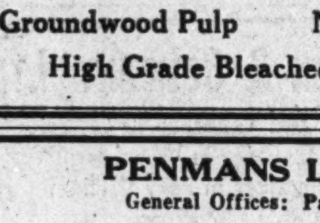
INDUSTRIAL ACCEPTANCE CORPORATION Limited
Commercial and Industrial Bankers
Head Office—Windsor, Ontario



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WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto and Curb Markets

WEEK ENDING JANUARY 30

Range 1932-33 High	Low	Divd. Rate in $	Yield in % Jan. 28		Sales	Close Jan. 23 (or last)	Week Ending —Jan. 30— High	Low	Close
				A					
3.25	.25	.	...	Abitibi	....	.30	..	..	..
10	1	.	...	Do. pref.	10	1	1½	1½	1½
x105	80	.	...	Do. pref.	....	..	..	..	..
80	80	7	...	Acme F. D'y, p	....	80	..	..	..
5	4½	.	...	Agnew Surp.	....	5	..	..	..
70	60	7	11.7	Do. pref.	....	60	..	..	..
7¾	3½	.	...	Alta. Pa. Gr.	70	4	4	4	4
45	19	.	...	Do. pref.	....	20½	..	..	..
3½	1½	.	...	Amal. Electric	....	1½	..	..	..
11	5	.	...	Do. pref.	....	5	..	..	..
x3½	3½	.	...	Anglo. N. Hold.	....	..	..	..	..
.30	.15	.	...	Asbestos	....	.20	..	..	..
1.00	.50	.	...	Do. pref.	....	.60	..	..	..
7	4	.	...	Assoc. Brew.	50	5	4½	4½	4½
72	65	7	10.2	Do. pref.	10	68½	68½	68½	68½

Range 1932-33 High	Low	Divd. Rate in $	Yield in % Jan. 28		Sales	Close Jan. 23 (or last)	Week Ending —Jan. 30— High	Low	Close
‡96½	90	7	...	Do. pref.	....	..	..	..	..
3¾	½	.	...	Honey Dew	....	½	..	..	..
40	10	.	...	Do. pref.	....	11	..	..	..
4	2	.	...	H. Smith Pap.	....	2½	..	..	..
27	16	.	...	Do. pref.	....	16	..	..	..
21½	14¾	2	13.3	Humberstone S	....	14¾	..	..	..
17½	6½	1	15.4	Hunt (A)	....	6½	..	..	..
x23½	12½	1	...	Do. (B)	....	..	..	..	..
108	93	8	8.3	Huron & E. M.	26	97	96	96	96
18	17	.	...	Do. 20% pd.	....	18	..	..	..
11½	4¾	.	...	Hydro. Electric	....	6	..	..	..
				I					
193	130	10	6.4	Imperial Bank.	36	155	158	155	158
11⅝	7⅜	50c	5.6	Imperial Oil	6184	8¾	8⅞	8½	8½
9⅛	6	35c*	4.2	Imperial Tob.	2835	8⅝	8½	7⅞	8
12	4	.	...	Wabasso Cot.	7	6½	7	6	6
8	2½	.	...	Walker-Good.	897	4¾	4¼	4⅛	4⅜
12	9	1	10.7	Do. pref.	796	9¾	9½	9⅜	9⅜
3¼	1	.	...	Waterloo Mfg.	....	1⅓	..	..	..
80	75	7	...	W. Koot. Pr. p	....	80	..	..	..
8	4	.	...	West. C. Flour.	10	8	4	4	4
60	53½	6.50	11.8	Do. pref.	30	55	55	53½	53½
12⅞	10	.	...	West. Grocers.	....	11½	..	..	..
60½	43	7	11.7	Do. pref.	....	60	..	..	..
x91	85	.	...	W. Steel Pr. p	....	..	..	..	..
23	16½	1	5.6	Weston Bisc.	....	18	..	..	..
70	65	7	10.4	Do. pref.	....	67	..	..	..
10	3	.	...	Windsor Hotel.	....	3	..	..	..
38	10	.	...	Do. pref.	....	11	..	..	..
8	2	.	...	Winnipeg Elec.	....	3½	..	..	..
20	6	.	...	Do. pref.	5	8	6	6	6
x46	46	.	...	Woods Mfg. p.	....	..	..	..	..
				Z					
1	1	.	...	Zimmerknit, c.	....	1	..	..	..

x Quotations for 1931. No sales recorded in 1932-33 to date.
b New York Quotations.
‡ Quotations for 1930
§ Plus 20c. extra paid. Dec. 1.
* Stock dividend.
♦ On account of arrears covering quarter ended Mar. 31, 1932.

Dividends Declared

	Present Annual rate	Amt. this payment	Date payable	Date of record
Acme Farmers Dairy, pref.	7%	3½%	Feb. 10	Jan. 31
Agnew Surpass, pref.	7%	1¾%	Apr 1	Mar. 15
Blue Ribbon, pref.	$2	50c	Feb. 1	Jan. 30
Bk. Can. Nationale	$10	$2.50	Mar. 1	Feb. 15
Beatty Bros. 1st pfd.	$6	$1.50	Feb. 1	Jan. 15
Belding-Corticelli, c.	7%	1¾%	Feb. 1	Jan. 14
Bank of Montreal	10%	2½%	Mar. 1	Jan. 31
Bank of Toronto	10%	2½%	Mar. 1	Feb. 15
Canadian Dredge	...	$1	Feb. 1	Jan. 16
Do., pref.	7%	1¾%	Feb 1	Jan. 16
Can. Bronze	$1.25	31¼c	Feb. 1	Jan. 20
Do., pref.	7%	1¾%	Feb 1	Jan 20
Calgary Power pref.	6%	1½%	Feb 1	Jan. 14
Cons. Min. & Smelting	...	*10%	Feb. 1	Jan. 12
Can. Converters	$2	50c	Feb. 15	Jan. 31
Can. Bank of Commerce	10%	2½%	Mar. 1	Jan. 31
Can. Investors	40c	10c	Feb. 1	Jan. 14
Capital Trust	4%	4%	Mar. 1	Dec. 31
Coast Breweries	92c	23c	Feb. 1	Jan. 21
Confederation Invest. pfd.	$3	75c	Feb. 1	Jan. 15
Cosmos Imperial pref.	$3.50	87½c	Feb. 15	Jan. 31
Can. Hydro-Elec. 1st pfd.	6%	1½%	Mar. 1	Feb. 1
Canadian Oil Co c.	50c	12½c	Feb. 15	Feb. 1
Do., pref.	8%	2%	Apr. 1	Mar. 20
Canadian Car, pref.	$1.75	44c	Apr. 10	Mar. 27
Dom. Scottish Invest. pfd.	$1	25c	Feb. 1	Jan. 20
Dominion Bridge	$2	50c	Feb. 15	Jan. 31
Do.	...	50c	May 15	Apr. 29
Dome Mines	$1	25c	Apr. 20	Mar. 31
Do., extra	..	20c	Apr. 20	Mar. 31
Eastern Theatres c.	$2	50c	Mar. 1	Jan. 31
Fuller, Geo. A. (Can.) pfd.	$6	$1.50	Feb. 1	Jan. 15
Guelph Carpet pref.	6½%	1⅝%	Feb. 1	Jan. 20
Howe Sound, com.	40c	10c	Jan. 16	Dec. 30
Humberstone Shoe	$2	50c	Feb. 1	Jan. 16
Hydro-Elec. "B" pfd.	50c	25c	Feb. 1	Jan 20
Inter. Nickel, pref.	7%	1¾%	Feb. 1	Jan 3
Imperial Bank	10%	2½%	Feb. 1	Dec. 31
Inter. Utilities pfd.	$7	$1.75	Feb. 1	Jan. 16
Do., pfd.	$3.50	87½c	Feb. 1	Jan 16
Loblaw Grocet. "A" & "B"	80c	20c	Mar. 1	Feb. 11
Lindsay, C. W., pref	6½%	1⅝%	Mar. 1	Feb. 14
McIntyre Mines	$1	25c	Mar 1	Feb. 1
Do., extra	50c	12½c	Mar. 1	Feb. 1
McColl-Frontenac, com.	60c	15c	Mar. 15	Feb. 15
MacKinnon Steel pref.	$3.50	87½c	Feb. 1	Jan. 27
National Biscuit	$2.80	70c	Apr. 15	Mar. 17
Do., pref.	$7	$1.75	Feb. 28	Feb. 14
Neon Prod. of W. Can. pfd.	$3	75c	Feb. 1	Jan. 15
Paterson, Wm., pref.	7%	1¾%	Feb. 1	Jan. 20
Penmans	$3	75c	Feb. 15	Feb. 6
Do., pref.	6%	1½%	Feb. 1	Jan. 21
Quebec Power	$1	25c	Feb. 15	Jan. 27
Royal Bank	10%	2½%	Mar. 1	Jan. 31
Russell Motor pfd.	7%	1¾%	Feb 1	Dec. 31
Southern Can Power c.	$1	25c	Feb. 15	Jan. 31
Shawinigan W. & Pr.	50c	13c	Feb. 15	Jan. 21
Steel of Canada pfd.	$1.75	43¾c	Feb. 1	Jan. 7
Do., com.	$1.75	43¾c	Feb. 1	Jan. 7
St. Law. Flour	$1.50	37½c	Feb. 1	Jan. 20
Do., pref.	7%	1¾%	Feb. 1	Jan. 20
Second Std. Royalties pfd.	4c	1c	Feb 1	Jan. 21
Teck Hughes	60c	15c	Feb. 1	Jan. 17
Weston, Geo., pref.	7%	1¾%	Feb. 1	Jan. 20

*Stock dividend. Payable subject to shareholders' approval at meeting called for Feb. 1, 1933.

Dividends Passed or Deferred:

Consolidated Sand. pref., Feb. 15, to be deferred. Last paid 50c. Nov. 15, 1932.

Standard Paving, pref., Feb. 15, to be deferred. Last paid 50c. Nov. 15, 1932.

Russell Motor Car, com., Feb. 1 passed. Last paid 25c, Nov 1, 1932.

Disher Steel, pref. "A" Feb. 1 deferred. Last paid 37½c. Nov. 1, 1932.

Monarch Mortgage & Invest. pref. Jan. 15, deferred. Last paid 10c. Oct. 15, 1932.

Dividend Rate Reduced:

MacKinnon Steel, pref. Feb. 1, $7 to $3.50 per annum.
Quebec Power, Feb. 15, $1.50 to $1 per annum.
Capital Trust, Mar. 1, 5% to 4% per annum.
Canadian Oil, com., Feb. 15, $1 to 50c per annum.

Extra Dividends:

McIntyre Mines 12½c. Mar. 1. Dome Mines 20c April 20.

Unlisted Canadian Stocks

(Furnished by A. J. Pattison, Jr. & Co., Limited)
Investment Bankers, Toronto
January 31, 1933

Industrial Stocks	Bid	Asked
Acadia Sugar c.	.30	.60
Acadia S. 6% pfd.	2.80	3.25
Acme Farmers Dairy 7% pfd.	58.00	...
Acme Glove pfd. bonus com.	7.75	10.00
Agnew Surpass 7% pfd.	...	69.00
Allens Beach 7% pf. bonus c.	31.00	...
Allens College 7% pf. bonus c.	31.00	...
Allens London 7% pf. bonus c.	31.00	...
Allens St. Clair 7% pf. bonus c.	31.00	...
Allens St. Cath. 7% pf. bonus c.	31.00	...
Allens Toronto 7% pf. bonus c.	16.00	...
Andian National Corporation	19.50	22.50
B. C. Pulp & Paper pfd.	5.50	8.00
Burns pfd. bonus com.	3.50	5.25
Canada & Dom. Sugar	21.75	22.25
Canada Machinery com.	1.25	3.00
Canada Machinery pfd.	11.25	18.00
Can. Packers c.	11.00	13.00
Do., 7% pfd.	71.00	...
C. Starch 7% pfd.	62.50	68.00
Can. Tea 7% pfd.	49.00	53.00
Canada Wire & Cable 6½% pf. W.W.		70.50
Can. Industries com. "A"	73.00	...
Can. Industries com. "B"	71.25	72.25
Can. Industries 7% pfd.	114.50	115.75
Can. W'house	35.50	...
Claude Neon Gen. Adv. Units	...	17.75
Claude Neon Gen. Adv. com	.65	1.00
Dom. Foundries & Steel 8% pfd.	...	64.00
Dom. Foundries & Steel com.	...	4.00
Dom. Manufacturers 7% pfd.	60.50	69.50
Dunlop T. 7% pf.	41.00	43.00
Eastern Dairies Ltd. 7% pfd.	50.00	...
Edmonton Stockyards Units	38.00	52.00
Federal Grain 6½% pfd.	20.50	25.00
Gen. Steel Wares pfd.	5.25	6.00
Goderich Elevator & Transit	6.50	7.25
Greening Wire 7% pfd.	...	60.00
Guardian Realty 7% pfd.	15.25	23.00
Guelph Carpet 6½% pfd. bonus	65.00	72.00
Guelph Carp. c.	4.50	...
Inter City Bak. c.	...	11.00
Inter. Proprietaries "A"	25.75	26.25
Langleys Ltd. 7% pfd.	25.00	35.00
Loew's London, c.	.45	.90
Do., 7% pfd.	3.50	4.25
Massey-Harris 5% pfd.	11.75	12.50
Mount Royal H. c.	.25	...
Do., 6% pfd.	...	3.75
Nat. Grocers c.	.50	1.00
Do., 7% 2nd pfd.	41.00	44.25
National Sewer Pipe com.	6.25	...
Neilson, Wm., c.	4.00	...
Paramount Kitchener pfd.	26.00	...
Paramount Oshawa pfd.	29.50	...
Paramount Oshawa com.	4.00	...
Provincial Paper 7% pfd.	30.00	32.00
Reliance Grain 6½% pfd.	43.00	...
Rolland Paper 6% pfd. W.W.	27.00	28.00
Standard Clay Products com.	...	13.00
Standard Fuel 6½% pfd. bonus	[illegible]7.00	59.00
Supersilk pfd. bonus	24.00	...
Supertest Petroleum "B"	17.00	20.00
Toronto Elevators 7% pfd.	73.25	75.00

Ind. Stocks, Cont'd.	Bid	Asked
Western Grain 6½% pfd. bonus	15.00	21.00
Willards Chocolates pfd.	...	20.50
Insurance Stocks:		
British American Assce.	30.00	40.00
Can. Life Assce.	426.00	450.00
Candn. Fire Ins.	49.00	54.00
Confederation Life 20% pd.	130.50	138.00
Continental Life 20% pd.	38.00	...
Crown Life Ins.	85.00%	...
Dom. Fire Ins.	83.50	...
Dom. L. 50% pd.	140.00	...
Dom. of Canada Gen. Ins.	111.00	125.00
Excelsior Life 30% pd.	80.50	86.00
Fidelity Ins. of Canada	...	69.00
Great West Life Assce.	225.00	235.00
Guarantee Co. of N. A.	227.00	...
Halifax Fire Ins.	9.50	11.00
Imperial Life	246.00	260.00
Manuf. Life Ins.	230.00	249.00
Monarch Life 10% pd.	16.00	...
National Life 25% pd.	...	67.00
Saskatchewan Life 10% pd.	...	12.50
Sovereign Life 25% pd.	16.00	21.00
Sun Life Assce.	320.00	355.00
Western Assce. c.	14.75	18.00
West. Life 20% pd.	7.00	...
Trust & Loan Stocks:		
Can. Amer. Trust Sh.	2.25	3.00
Can. Gen. Invest. Ltd.	3.00	3.15
Chartered Trust	...	62.50
Debenture & Sec. 5% pfd.	...	20.50
Eastern Can. Sav. & Loan	100.00	110.00
Eastern Trust	141.00	150.00
Guelph & Ont. Inv. par $50	43.50	50.00
Investment Foundation Units	18.50	...
Lambton Loan & Savings	51.00	56.00
London & Western Trust	72.00	...
Mortgage Discount pfd.	2.35	3.00
Mutual Finance 8% pfd.	...	2.20
Premier Trust	65.00	...
Provincial Bank	94.00	98.00
Security Loan & Savings	95.00	104.00
Sherbrooke Trust	100.00	111.00
Sterling Trust	52.50	57.00
Traders Finance c.	...	.60
Traders Finance 7% "A" pfd.	17.50	20.00
Trusts & Guar.	39.00	46.00
Victoria Trust & Savings	140.00	160.00
Waterloo Trust & Savings	100.00	115.00
Power Issues:		
B. C. Elect. Pwr. & Gas pfd.	89.50	91.50
Calgary Power 6% pfd.	66.75	...
Can. Light & Power com.	14.00	18.00
Can. West. Nat. Gas L.H.& P. c.	21.00	...
Do., pfd.	71.00	73.50
Great Lakes Power 7% pfd.	...	65.00
Maritime Tel. & Tel. com.	8.50	10.00
Maritime Tel. & Tel. 7% pfd.	10.50	11.25
N. B. Tel. com.	6.50	7.75
Nova Scotia L. & P. 6% pfd.	70.50	75.50

Recent London Quotations:

Brewers & Distillers	3s. 6d.
Can. & For. sec.	3s. 9d.
Can. West. Lumber	1s.
Hudson's Bay	18s. 9d.
Do., 5% pref.	71s. 3d.
Internat. Holdings	$1 11/16
Nfld. Pr. & Pap. deb. stock "B"	88
Trust & Loan of Can.	9d.

Winnipeg Stock Exchange

(Transactions for week to Jan. 28)

Div. Rate in $	Yield in %		Sales	High for week	Low for week	Close Jan. 28
..	..	Assoc. Breweries c.	10	4½	4½	4½
..	..	Beaver Lumber, c.	85	2½	2½	2½
..	..	Bobjo	300	.12	.12	.12
..	..	Central Manitoba	200	.07½	.07½	.07½
..	..	Home Investment	2	24	24	24
..	..	Island Lake	2500	.23	.22	.23
..	..	Howey Gold	100	.75	.75	.75
20	8.7	Great West Life	5	230	230	230
50c	5.9	Imperial Oil	50	8½	8½	8½
1.10	..	Noranda	50	22	22	22
..	..	Pelissiers, pref.	200	10	10	10
..	..	San Antonio	700	.96	.94	.96
..	..	Stadacona	1000	.04	.04	.04
1.25	11.9	United Grain	31	10½	10½	10½
..	..	Ventures	300	.93	.93	.93
7	11.9	Western Grocers, pref.	16	59	57	59

Stocks Not Traded in During Week *

	Bid	Ask
Beaver Lumb. pf.	..	60
Beaver Fire	..	100
City Dairy 8% pf.	..	50
Can. Fire Insur.	50	..
Cres. Cream. pfd.	..	60
Monarch Life 10% pd.	16	..
Nor. Mtg. part pd.	..	5
Pelissiers pref.	10	..
Nor. Can. Mtg. pf.	..	15
Northern Trust	..	25
Traders' Bldg.	..	75
West. Breweries	½	1
West St. Prod., pf.	..	30
Can. Amer. Tr. shs.	..	2¾
Fundamental Ser. A	..	3½
Fundamental Ser. B	..	3½
Grouped Inc. shs.	3.35	3.70

*Stocks more active on other exchanges not included.

Active Unlisted Bonds

(Furnished by A. J. Pattison, Jr. & Co., Limited)
January 31, 1933

Industrial Bonds:	Bid	Asked
Abitibi P. & P. 5% 1953	17.25	18.25
Acadia Sugar 6% 1946	85.00	87.50
Alta. Pac. Grain 6% 1946	73.00	75.00
American Sales Book 6% 1939	105.00	....
Arnold Bros. 6% 1947	25.00	35.00
B. A. Oil 5% 1945	85.00	88.00
Can. Biscuit 6½% 1946	20.00	25.00
Can. Bread 6% 1941	82.00	85.00
Can. Cement 5½% 1947	69.00	72.00
Can. Steamship 6% 1941	18.00	20.00
Can. Bakeries 6½% 1945	50.00	60.00
Can. Canners 6% 1950	80.00	82.00
Can. Copper Refin. 6% 1945	98.00	100.00
Can. Cottons 5% 1940	82.00	85.00
Can. Vickers 6% 1947	63.00	65.00
Cons. Invest. 4½% 1959	35.00	37.50
Cosmos Imp. Mills 6½% 1944	80.00	85.00
Davies, Wm. 6% 1942	86.00	90.00
Debenture & Sec. 4% 1936	53.00	56.00
Dom. Manufacturers 6% 1933	95.00	....
Dom. Tar & Chemical 6% 1949	59.00	62.00
Dom. Telegraph 5½% 1978 "A"	86.00	87.50
Dom. Textile 6% 1949	98.00	100.00
Dom. Woollens 6% 1948	12.00	....
Donnacona Paper 5½% 1948	15.00	18.00
Eaton Realty 5% 1949	79.00	81.00
Famous Players 6% 1948	67.00	70.00
Famous Players 6½% 1948	47.00	49.00
Federal Grain 6% 1949	72.00	74.00
Fraser Cos. 6% 1932	10.00	....
Fraser Cos. 6% 1950	10.00	....
Galt Brass 7½% 1941	....	30.00
Goodyear Cotton 6% 1949	97.00	....
Great Lakes Paper 6% 1950	18.00	20.00
Gypsum, Lime & Alab. 5½% 1948	40.00	42.00
Harris Abattoir 6% 1947	87.00	89.00
Howard Smith 5½% 1953	54.00	56.00
Loew's Toronto 6% Serial	99.00	....
London Realty 6½% 1950	38.00	40.00
Maple Leaf Milling 5½% 1949	....	43.00
Massey-Harris 5% 1947	52.00	56.00
McColl-Frontenac 6% 1949	84.00	86.00
McKinnon Industries 6½% 1945	93.00	97.00
Mercury Mills 5½% 1953	....	40.00
Metropolitan Bldg. 7% 1944	88.00	....
Nor. Ont. Bldg. 6½% 1939	65.00	70.00
Price Bros. 6% 1943	29.00	32.00
Richmond Bay 6½% 1947	62.50	68.00
Rolland Paper 5½% 1948	74.00	....
Simpson's Ltd. 5½% 1949	52.00	55.00
Simpson's Ltd. 6% 1949	54.00	56.00
Steel of Canada 6% 1940	103.00	106.00
Toronto Carpet 6% 1944	75.00	80.00
United Gas & Fuel 5½% 1948	51.00	55.00
United Grain Growers 5% 1948	73.00	75.00
United Grain Growers 5½% 1949	74.00	76.00
Western Grain 6% 1949	59.00	63.00
Public Utility Bonds:		
Bell Telephone 5% 1955	113.00	115.00
Bell Telephone 5% 1957	113.00	115.00
B. C. Power 5½% 1960	83.00	85.50
B. C. Telephone 5% 1960	92.00	94.00
Calgary Power 5% 1960	77.00	80.00
Can. Northern Pwr. 5% 1953	77.00	80.00
Duke Price Pwr. 6% 1966	61.00	63.00
Elect. Develop. 5% 1933	114.00	116.00
French Natl. Mail SS 6% 1952	120.00	125.00
Gatineau Pwr. 6% 1941 "A"	60.00	62.00
Gatineau Pwr. 5% 1956	79.00	81.00
Maclaren Quebec 5½% 1961	78.00	80.00
Manitoba Power 5½% 1951	50.00	53.00
Montreal Isl. Pwr. 5½% 1957	104.00	105.00
Montreal LH&P 5% 1951	110.00	112.50
Montreal LH&P 5% 1970	109.50	112.00
Montreal Tram 5% 1941 July	98.00	99.50
Montreal Tram 5% 1955	78.50	80.00
Northwest. Utilities 7% 1938	90.00	95.00
Ottawa Valley Pwr. 5½% 1970	97.50	99.00
Quebec Power 5% 1968	94.00	96.00
Rio Tramways 5% 1935	90.00	....
Shawinigan W&P 4½% 1970	68.50	71.00
Shawinigan W&P 5% 1970	80.00	81.50
Shawinigan W&P 6% 1937	89.00	92.00
Southern Can. Pwr. 5% 1955	96.00	97.50
West Kootenay Pwr. 5% 1956	91.00	92.50
Government, Provincial & Railway Bonds:		
C.N.R. 4½% 1951 Dom. Gtd.	98.25	99.00
C.N.R. 4½% 1957 Dom. Gtd.	98.00	99.00
C.N.R. 5% 1969 Dom. Gtd.	104.00	105.00
C.P.R. 4½% 1944	....	79.00
C.P.R. 5% 1954	89.00	90.00
Dom. of Can. 5% 1936	102.50	103.75
Dom. of Can. 5% 1941	103.00	104.00
G.T.P. 3% 1962 Dom. Gtd.	79.25	80.00
G.T.P. 4% 1962 Dom. Gtd.	92.25	93.50
Ont. Hydro 3½%, 4%, 5%, 1952 Ont. Gtd.	90.50	91.50
Ont. Hydro 4¾% 1970 Ont. Gtd.	99.25	100.25
Ont. Hydro 4% 1957 Ont. Gtd.	91.00	92.00
Prov. of N. B. 5½% 1950	103.50	104.00
Prov. of Ont. 4½% 1944	102.00	103.00
Prov. of Ont. 5% 1948	102.50	103.50
Prov. of Ont. 5½% 1947	107.00	108.00

Listed Bond Quotations

Week Ending January 30

Montreal	Int. Rate	Due	Yield	Latest Bid	High	Low	Range, 1932-33 High	Low
Abitibi, 1st mtg.§	5	1953	...	14	...	...	46	19½
Asbestos	5	1942	...	21	...	...	65½	49
Asbestos, 1st mtge.	6	1941	...	5½	...	...	*20	14
Do., gen. mtge.	6	1956	...	...	...	...	*9	...
Can. Cons. Rub.	6	1946	...	...	...	...	*69½	...
Can. Cottons	5	1940	...	...	...	...	91	90
Can. Forgings	6	1942	...	...	...	...	*100	...
Can. Locomotive	6	1951	...	...	19⅜	...	19⅜	...
Can. Pr. (Laur.)	5½	1958	...	...	...	...	7	5
Do. (Way. Ser.)	5½	1958	...	...	...	...	*28½	5½
Can. S.S. Debs.	5	1943	...	...	...	...	83¼	...
Cedars Rapids	5	1953	4.39	...	...	...	108	95
Dom. Canners	6	1940	...	...	...	...	‡103	...
Dominion Coal	5	1940	...	...	...	...	50	31
McNish	6	1948	...	1.25	1.50	1.00	3.50	1.00
Mex. L. & Pr.	5	1940	...	51½	...	...	*73½	70½
Mtl. L.H.&Pr. debs.	3	1939	...	41⅞	42	41½	44	35
Mont. Tr. 1st mtg.§	5	1941	5.25	93	...	...	98⅛	90⅛
Mont. Trams. "A"§	5	1955	6.80	...	79⅜	...	85½	69½
Do., G. & Ref. "B"	5	1955	7.08	...	...	...	79⅞	78⅞
Do., "C"	4½	1955	6.43	...	...	...	77¼	77
Do., "D"	5	1955	7.02	...	...	...	81	77⅜
N.S. Steel	5	1959	...	†78	...	...	*62⅜	59
Ontario Steel	6	1943	5.94	80	...	...	100½	...
Porto R. Pr.	5	1936	...	...	...	...	*93	88
Steel of Canada§	6	1940	...	102	...	...	102½	100
Wayagamack	6	1951	...	...	...	...	*75	45
Winnipeg Elec.§	5	1935	...	75	...	...	86	...
Toronto								
Canada Bread	6	1941	...	...	...	...	*101½	100
Steel of Canada§	6	1940	...	...	...	...	102½	...
Dominion Govt. Bonds (Montreal)								
War Loan§	5	1937	1.16	116.00	....	....	110.00	102.00
Victory Loan	5½	1933	3.85	101.00	....	....	101.55	100.25
Do.	5½	1934	4.22	102.20	102.40	....	102.50	99.25
Do.	5½	1937	3.16	110.00	110.25	....	110.25	104.00
Do., refund	4½	1940	4.35	100.00	101.25	100.75	101.25	91.50
Do., refund	5	1943	4.53	103.00	....	....	103.37	95.38
Do., refund	4½	1944	4.50	99.00	....	....	97.50	89.50
Do., refund	4½	1946	4.55	99.00	....	....	96.25	91.50
Do., refund	4	1952	4.60	92.00	....	....	92.37	91.63
Conversion Loan	4½	1956	4.71	97.25	....	....	97.00	88.25
Do.	4½	1957	4.60	97.00	98.25	....	98.25	88.50
Do.	4½	1958	4.56	97.00	99.00	....	99.37	88.50
Do.	4½	1959	4.50	98.50	100.00	99.25	100.00	88.75
Nat. Service Loan.	5	1936	3.98	102.50	103.25	103.00	103.25	96.25
Do.	5	1941	4.44	103.00	103.75	....	103.75	95.00

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†Latest ask. §Payable in Canada and New York.
‡Quotations for 1930. *For 1931. None recorded in 1932-33 to date.

Active Provincial and Municipal Bonds

Quotations furnished by A. E. Ames & Co., Canada Permanent Building, Toronto, Ont.

January 31, 1933

	Rate	Actual Maturity	Next Int. Date	Price	Yield
*Alberta	4½	1 Oct., 1958	1 Apr.	85.00	5.65
Alberta	5	1 July 1943	1 July	94.00	5.78
Alberta	6	1 Mar., 1947	1 Mar.	100.00	6.00
*British Columbia	4½	1 Oct., 1953	1 Apr.	86.00	5.64
*British Columbia	5	15 Jan., 1948	15 July	96.00	5.39
British Columbia	6	15 Feb., 1947	15 Feb.	100.00	6.00
Manitoba	4	1 July 1947	1 July	81.50	5.92
*Manitoba	5	2 Dec., 1959	2 June	98.00	5.50
Manitoba	6	1 Apr., 1947	1 Apr.	100.00	6.00
*New Brunswick	4	1 June 1943	1 June	91.83	4.75
*New Brunswick	4½	15 June 1936	15 June	100.00	4.75
New Brunswick	5½	1 May 1950	1 May	104.50	5.10
*Nova Scotia	4½	15 Nov., 1948	15 May	98.50	4.64
Nova Scotia	5	1 May 1943	1 May	102.00	4.75
*Ontario	4½	1 Sept., 1944	1 Mar.	104.00	4.08
Ontario	5	15 Oct., 1948	15 Apr.	104.50	4.60
Ontario	5½	1 Feb., 1947	1 Feb.	108.25	4.68
P. E. I.	4	1 Apr., 1939	1 Apr.	95.00	4.90
P. E. I.	6	1 May, 1947	1 May	109.15	5.10
*Quebec	4½	1 May, 1961	1 May	101.50	4.16
*Saskatchewan	4½	1 Sept., 1955	1 Mar.	84.00	5.76
Saskatchewan	5	1 Oct., 1950	1 Apr.	87.00	6.20
Saskatchewan	6	15 Mar., 1952	15 Mar.	97.00	6.27
*Newfoundland	5	31 Dec., 1952	30 June	67.00	8.44
*Newfoundland	5½	1 July, 1939	1 July	73.00	11.50
*Newfoundland	6½	30 June, 1936	30 June	81.00	13.50
Cities					
*Montreal	5	1 Sept., 1963	1 Mar.	107.00	4.58
*Toronto	4½	1 Jan., 1955	1 July	99.00	4.57
*Vancouver	5	15 Jan., 1970	15 July	87.00	5.87
Winnipeg	5	1 Mar., 1944	1 Mar.	91.80	6.00
*Edmonton	5½	1 Apr., 1947	1 Apr.	85.25	7.15
Calgary	5	1 Jan., 1943	1 July	82.60	7.50
Halifax	6	1 July, 1951	1 July	110.70	5.10
St. John	5	15 Dec., 1950	15 June	98.83	5.10
Regina	4½	1 July, 1950	1 July	72.98	7.25
Victoria	5	21 July, 1945	21 July	87.30	6.50
Quebec	5	1 June, 1948	1 June	101.08	4.90

* Payable in New York.

Although The Financial Post strives to obtain the closest quotations possible on the unlisted stocks and bonds in the various tables on this page and the adjoining page, the quotations are not guaranteed and no responsibility is assumed in connection with them. In inactive markets, many quotations can be little more than nominal but it is felt that even a nominal quotation giving an idea of approximate price is better than none at all.

BUILD. PRODUCTS CONSERVES ASSETS DURING LAST YEAR

Earnings Small; Finances Remain in Strong Position

From Our Own Correspondent

MONTREAL. — Building Products Ltd. sales in 1932 were less than in 1931, but they did not fall in ratio to contracts awarded for new building which were over 50 per cent less last year than in the previous year. Repairing and remodelling of old buildings enabled the company to maintain a reasonably good volume of sales so that financial returns for the year were fair in view of prevailing conditions.

Profits from operations and income for investment, after making provision for depreciation, amounted to $9,068 during 1932. This compared with $263,820 in 1931. Added to the 1932 income, however, was a sum of $87,413 representing a portion of the reserve for investments not now required, making an aggregate income of $96,481. After the payment of all charges there was a deficit of $96,661 as against a profit balance of $22,128 in 1928.

Details of Income

Particulars of the income account follow:

	1932	1931
Net profits	†$9,068	‡$263,820
Portion invest. res.	87,413	.....
Total	96,481	263,820
Less: Com. divds.	163,142	241,692
Bad debt res.	30,000	.....
Balance	*96,661	22,128
Br't forward	956,778	934,650
Carried forward	860,117	956,778

*Deficit.
†After depreciation charge of $125,318.
‡After depreciation charge of $118,805.

Strong Working Capital

The company's financial position at the end of 1932 revealed continued strength with current assets exceeding current liabilities by roughly $1,800,000, or in the ratio of 18 to 1.

Fixed assets showed a moderate increase in value during the year. Inventories, on the other hand, increased from $351,626 to $406,250. Investments in Dominion and provincial governments and public utility bonds at quoted values increased from $995,009 to $1,151,260. Cash on hand is slightly lower at $78,604.

EXPECT REPORT OF WOODS MFG. ON BETTER BASIS

Inventories Were Cut to Low Level at End of 1931

From Our Own Correspondent

MONTREAL. — Operations of Woods Manufacturing Co. in 1932 were undertaken on a more satisfactory basis and the forthcoming financial statement is expected to reveal a better showing than was made in 1931 when a loss of $30,666 was reported before charges. Total deficit was $171,268.

Relative stability in the jute and cotton markets has been a factor in enabling the company to obtain better results. In previous years wide fluctuations in the market for these commodities have taken toll of earnings; preferred dividends have been omitted since 1930.

Welland Plant Busy

The company's plant at Welland where a cotton mill is operated has been busy. Low prices for jute and cotton have enabled bag manufacturers to retain business which was going to makers of kraft bags in better days. Today a miller can pack his product in cotton bags more cheaply than he can in kraft paper.

In addition to more stability in commodity markets, Woods Manufacturing at the end of 1931 had got its inventories down to the lowest level in its history; these were given a valuation of $686,552 compared with $1,085,774 in the previous year and $1,463,887 in 1929.

Woods Manufacturing Co. has an output comprising jute and cotton cloth bags, burlap, tents, tarpaulins and heavy clothing such as is used by lumbermen and contractors. In the latter division declines in woods activity have been offset to some extent by the high level of employment in mining areas.

Connors Brothers Pays Dividend on Common

From Our Own Correspondent

MONTREAL.—Though earnings of Connors Bros. Ltd. in 1932 were hampered through exchange difficulties encountered in the wide export market served by the company they were sufficient to warrant payment of bond interest, preferred dividends and a dividend on the 4,000 shares of no par common stock. The company does not make public its financial statement, and, as yet, details of the common disbursement have not been disclosed.

The company is the largest packer of sardines on the continent and ranks among the world leaders in this industry. Sales are made in over 100 different foreign countries and fluctuations in currency exchange have tended to restrict profits in these markets. Domestic sales, though lower, are understood to have been relatively satisfactory.

Connors' plant is located at Black's Harbor, N.B., and the company is an important factor in the fishing industry of the province.

Dominion Woollens Plan is Approved

At the adjourned meeting of bondholders of Dominion Woollens & Worsteds Ltd. held on January 25 bondholders unanimously approved amendments to the original plan of reorganization. The plan that will go into effect therefore provides that bondholders will receive 10,585 shares of new common stock, or one share for each $200 principal amount of bonds held, in place of the 21,170 shares originally proposed. Preferred shareholders will receive four shares of common stock for each preferred share held and old common shareholders will receive one new share for each three held.

George B. Woods and E. M. Saunders, both of Toronto, have been elected directors to fill the vacancies caused by the death of W. A. Mackenzie and W. K. George. F. C. Cockburn has been appointed secretary-treasurer of the company due to the resignation of C. E. Whitten.

Fertilizer Shipments from Warfield

In the year just past 20,000 tons of chemical fertilizer from Warfield, B.C., were exported via New Westminster to all parts of the world. This is an entirely new movement and there were no similar shipments in 1931.

C. P. R. Share Earnings Rest on Special Income

Net Operating Income Insufficient to Cover Fixed Charges — Coverage of Preferred Dividends Will Depend on Amount Credited to Special Income Account

From Our Own Correspondent

MONTREAL.—Net operating income of the Canadian Pacific in 1932 amounted to $20,089,984, down from $25,424,766. This is the lowest operating income reported by the company in many years and is well below the average of the past decade.

Gross operating income last year amounted to $123,936,712, a drop of $23,909,405 from 1931; $56,964,092 from 1930; $85,794,243 from 1929 and $105,102,585 from 1928. Every effort has been made by the management to bring its expenses down in line to the lower earning power and the outlay in this direction in 1932 amounted to only $103,846,729, or $18,574,624 less than in 1931. During the record year of 1928 operating expenses totalled $177,344,845.

Benefit From Exchange

The amount available from operations to meet fixed charges, dividends and other charges, is the lowest reported in more than two decades. During 1931 fixed charges totalled $22,050,364. For the past year, they will undoubtedly be larger. A compensating factor, however, is seen in the fact that exchange will work in favor of the company, as the discount on English payments will more than offset the premium paid on American funds. It is estimated that the company will benefit to the extent of $1,000,000 or more through this medium.

Special Income Important

How well the company was able to meet its fixed and capital charges during the past year, depends entirely upon the amount of special income received. Preliminary indications are not hopeful. It is known that hotels, restaurants, steamships, express, telegraph and other allied ventures have not been particularly profitable over the last twelve months, so that not much revenue is expected from those divisions. Income from investments will not be as large as earlier anticipated, owing to the fact that the stock dividend of Consolidated Mining and Smelting Co. was not made retroactive to December 31 last. This involved approximately $1,750,000 or the value of the company's share of the stock dividend when declared.

During 1931 the Canadian Pacific received $10,951,964 in the way of special income. An equal amount in 1932 would enable the company to meet its fixed charges, preferred dividends and pension appropriation, but would not be sufficient to cover any distribution on the ordinary shares. Unless the company is able to draw upon reserves hitherto undisclosed, it is believed that earnings for 1932 will not cover dividends on the preferred shares.

Anticipation of such a showing is seen in the market action of the company's ordinary shares which has shown evidence of weakness lately. The selling is said to have originated in England and on the continent, where there are large holdings of Canadian Pacific shares.

PARAMOUNT PUBLIX CORP. GOES INTO RECEIVERSHIP

(Continued from page 1)

Matthews, 20 Pine St., New York, is named secretary.

A protective committee has also been formed to represent the holders of Paramount-Famous Lasky Corp. 20-year 6 per cent bonds due December 1, 1947, and Paramount Publix Corp. 20-year 5½ per cent bonds due August 1, 1950. Holders of both debentures are asked to unite for their protection and to deposit debentures with The Chase National Bank, New York City, as depositary, accompanied by all interest coupons maturing on and after June 1, 1933, in the case of the first issue, and February 1, 1933, in the case of the second issue.

May List Certificates

Both committees state that applications will be made eventually to list certificates of deposit on the New York Stock Exchange. Transferable certificates of deposit will be issued in each case. The committee for debentureholders is Frank A. Vanderlip, chairman, New York; Robert K. Cassatt, of Cassatt & Co.; Duncan G. Harris, of Brown, Wheelock, Harris & Co., Inc.; Lawrence Stern, of Lawrence Stern & Co., and Sir William Wiseman, of Kuhn, Loeb & Co. The secretary is Frederick Sheffield, 15 Broad St., New York City.

A protective committee has also been formed and is appealing for deposit of first mortgage 5½ per cent 25-year gold loan certificates of Paramount Broadway Corp., due January 1, 1951.

Action against Paramount-Publix was precipitated by Broadway Twentieth Properties, Inc., a concern incorporated in California, as well as by three small bondholders who filed an involuntary petition in the court. Trouble began on December 30 when L. H. Harris, also a bondholder, filed a petition in which he asked for an equity receivership. The California Corporation was a creditor to the extent of $29,000, the three small bondholders mentioned for $4,000 and Harris for a small amount.

"Corporation Not Insolvent"

The Financial Post has received from the board of directors of Paramount-Publix a copy of the following statement decided upon by them on January 26:

"At a meeting held on January 26 it was decided that, in view of the Corporation's inability to meet obligations presently outstanding and others shortly to mature, the interests of the creditors and security holders would best be served by the appointment of a receiver in equity. Messrs. Charles D. Hilles and Adolph Zukor have accordingly been appointed receivers by Judge Bondy, United States district judge in the Federal Court of the Southern District of New York. The Corporation is not insolvent and intends to contest the involuntary petition in bankruptcy which has been filed against it.

"The business of the corporation and its subsidiaries consists of the production and distribution throughout the world of motion pictures and of the ownership, leasing and operation of theatres in the United States, as well as in Canada and in other foreign countries.

Receipts Continuously Drop

"As a result of the unprecedented length and severity of the depression, both the domestic and foreign receipts of the corporation and its subsidiaries have been continually and increasingly diminishing. In the case of foreign receipts, the corporation has also been faced with heavy and unavoidable losses due to the depreciation of foreign currencies.

"Since the decline in gross receipts first manifested itself, the Board of Directors and management of the corporation has instituted a policy of drastic retrenchment and curtailment in controllable expenditures and has effected substantial economies of operation. The production cost of pictures has been lowered, salaries have been materially reduced and the personnel has been considerably decreased.

Making of Films Profitable

"The corporation has earnestly striven to obtain voluntary adjustments of rentals and other fixed charges and receipts approximating every available means in attempting to maintain a ratio between fixed charges and receipts approximately that which existed in recent and more prosperous years of the company's history. Constructive and helpful though these efforts have been, they have been precluded from attaining their ultimate end by the prolongation and acuteness of the depression.

"In addition to the appointment of receivers of Paramount Publix Corporation, Irving Trust Company has been appointed receiver of Publix Enterprises, Inc., one of the corporation's theatre-holding subsidiaries.

"Neither of these receiverships in any wise affects the subsidiaries—Paramount Productions, Inc., Paramount Pictures Distributing Corporation and Paramount International Corporation—which conduct the business of producing and distributing Paramount pictures. The business of these producing and distributing subsidiaries is profitable and they will continue to manufacture and distribute quality motion pictures under the same management and personnel as heretofore."

CHECKERED HISTORY OF FAMOUS PLAYERS

(Continued from page 1)

manager of Famous Players Canadian Corp.

For two years the company was thus its own owner in Canada although entire control was prevented through the arrangement described. In 1929 the managing director, N. L. Nathanson, announced that Gaumont British Pictures Corp. had made an offer of $75 a share for the common stock of Famous Players Canadian Corp. He wanted the offer to be accepted, but Adolph Zukor opposed the deal, it is understood, because he thought that this would mean a switching of the Canadian connection from Paramount to Fox, who was alleged to have obtained a substantial interest in Gaumont. Paramount naturally valued the Canadian outlet for its films, and Zukor was apparently able to convince Mr. Killam that the arrangement with Gaumont would amount to a breach of faith with Paramount. Mr. Killam voted with Mr. Zukor and the plan did not go through.

But with Mr. Nathanson outside Famous Players Canadian Corp., a new danger confronted the directors. Knowing Mr. Nathanson's complete knowledge of the moving picture game in Canada and his valuable connections both in the United States and England, it was feared that he would bring in important competition which naturally would cut revenue of most important earning theatres. In this crisis it was argued that the closest possible connection with the powerful Paramount Publix Corp. was important to the Canadian company. Paramount, fresh from a scare about losing the Canadian company, desired complete control so that it would not later face a similar situation.

Paramount Staved Off Competition

The directors were impressed by the fact that Paramount is not only a producer of films itself but because of its large holdings of theatres in the United States and Canada was an important buyer of films from other producers. Backed by Paramount it was argued that rivals of Paramount would hesitate to endanger this important market for the sake of competition in Canada which in the end might be profitless to everybody.

When Paramount Publix Corp. offered to exchange four shares of its stock for five shares of Famous Players Canadian Corp., subject to 250,000 shares being deposited for exchange, The Financial Post gave large space to the views expressed by shareholders that the offer was not good enough, that they should have been given an opportunity of accepting or refusing the $75 a share offer from Gaumont and that there was probably more to be gained in the end by maintaining Canadian ownership or control. Proponents of the exchange stated that Paramount shares paid $4 a share and Famous Players Canadian Corp. only $2 a share but the others came back to point out that currently Famous Players was earning more than Paramount.

Earned Interest in 1932

To The Financial Post it seems that the main contentions made then in these articles against the exchange have been proved correct. The Canadian company, managed carefully, economically and yet efficiently, has continued to make a better showing than any subsidiary in the exhibiting business under the Paramount aegis. Its revenues have fallen away just as those of Paramount theatres and of movie theatres generally have fallen away but it has maintained its financial solvency better. It has practically earned in 1932 all the interest on its bonds, it has written off its entire sound equipment so far as obsolescence is concerned because it was installed in the fear at the start that the trend to talkies might be a passing fad; it has followed the policy of paying off and not renewing every mortgage which fell due on scores of theatre properties in the last ten years whereas in 1932 Paramount renewed 98.8 per cent of its maturities.

The Paramount policy of seeking lower leases has also been followed by Famous Players and it is understood that its percentage of success in getting the co-operation of landlords has been greater. Paramount obtained 637 rental reductions in 1932 out of 1,044 leases in the United States. Salary reductions in Canada have been three with one made effective on February 1, 1933, and employees have shown co-operation in maintaining a good front to the situation in that twice during 1932 salaried employees contributed a week's work free.

Use British Pictures More

One Paramount official was asked by a Financial Post representative if it were not true that Famous Players Canadian Corp. would do as well or perhaps better if absolutely independent of outside control. He replied that in his opinion Paramount connection had prevented important competition developing to Famous Players and that the latter's comparatively strong position was in part due to this protection. A Canadian director of Famous Players Canadian Corp. said that his sympathies were all for Canadian control but that, if control were altogether in Canada, there would be no change of moment in the management or conduct of the company. The company needed Paramount and the arrangement to have first choice of Paramount films until 1939 was a great asset to the company and any competing company would like to have it. There would, with or without Paramount, be increasing use of British pictures for the simple reason that the British have been making giant strides in the industry.

"As for the landlords in Canada," continued the director, "Famous Players has tried to play the game with them. They have been told the situation frankly and we think they have more to gain by co-operating with us to get our costs on a proper basis. We own many of our buildings and there are other cases where we are running theatres for others."

Paramount Connection Cheap

Some curiosity has been expressed as to whether Paramount has been getting loans from the Canadian company or getting an undue share of operating revenues from management and other fees, but The Financial Post is assured that Famous Players is not owed a cent by Paramount, that the only services given by Paramount are repaid by a very moderate fee which does not in reality cover the full value of the services and that the Paramount connection is continuously of value to the company. The amount of $372,685 shown at the end of 1931 as "Advance on Film Rentals" has been repaid and the company is no longer making advances on film rentals as it is conserving its cash in every possible way. In any case these advances were not to Paramount but to Canadian companies. Depreciation has been maintained, The Financial Post is informed, and all purchase money obligations due during the year have been met. Those who did not understand the reduction in reserve for contingencies from $375,000 to $50,000 were wrong in thinking that it represented some adjustment in favor of Paramount. It means that the contingency expected occurred and was met.

Not Selling Canadian Co.

One of these contingencies had to do with the purchase of land in 1929 or 1930 just south of The T. Eaton Co. College Street store. In this case Paramount executives thought the purchase an unwise one and it was abandoned while a loss had to be taken in lieu of what Paramount feared might be a greater loss. The company has made good its ownership of land on Phillip's Square, Montreal, and at Yonge and Dundas Street, Toronto; in other words, it expects to expand again when the period of slow business has passed.

Still Has Hope

Complaints that those who exchanged their Famous Players Canadian Corp. stock for Paramount stock had been misled in that they did not know Paramount had made such sweeping commitments to buy back its own stock at prices averaging $80 a share up to March 1, 1932, are admitted to be valid. When the market fell to low levels Paramount paid about $16,000,000 to fulfill this pledge and that naturally hurt every other shareholder because it mulcted the company of that amount and left it in its present situation with lots of assets but liquid assets low. Some of the directors and officials also exchanged their shares, not knowing the significance of the note to the 1929 balance sheet that the company had options to buy shares. Most took this to be a favorable item rather than the reverse. On behalf of Paramount directors it is stated that they also expected the outcome to be satisfactory.

One director, however, stated that he still had hope that Paramount stock would prove a good hold. The company was in voluntary receivership but it was still the leading corporation of its kind in the world and it had assets, in his opinion, sufficient to take it over its troubles. In fact, the present plight might prove to its eventual advantage in permitting many leases to be adjusted where landlords in the United States were not willing to face facts. If its rentals were adjusted to the new situation of lower admittance fees and revenues, the situation would be greatly improved. Requests for modifications or disaffirming of hundreds of leases in the United States are expected by many United States financial observers to follow receivership.

Mining Stock Quotations

Week Ending January 30.

Par Val.	Range 1932-33 High	Low	Company	Sales	Close Jan. 23 (or last)	High for week	Low for week	Close Jan. 31
1	.06	.02½	Abana	......	.02½	.....	.....	.....
1	.03	.00¾	Aconda	......	.00¾	.....	.....	.....
No	.15	.15	Aldermac	......	.15	.....	.....	.....
1	.09	.00¾	Alexandria	50,500	.02	.02¼	.02	.02¼
No	.20	.03	Algoma	319,500	.03½	.05½	.04½	.04½
1	.01½	.00¼	Algonquin	16,500	.00¾	.00¾	.00½	.00¾
1	.01¼	.00¼	Amity C.	......	.00¼	.....	.....	.....
No	.36	.06	Amulet	7,495	.16	.17½	.14	.16½
1	.01	.00¼	Apex	34,000	.00½	.01	.00½	.01
1	.04	.01	Area	9,500	.02¾	.03½	.02¾	.02¾
No	.04	.00¼	Arno	534,900	.03¼	.04	.02¾	.03½
1	1.31	.65	Ashley Gold	33,630	1.24	1.31	1.20	1.25
1	.07	.01	Bagamac	6,500	.01½	.03	.02½	.03
1	.01½	.00¼	Baldwin	5,500	.01	.01	.01	.01
1	.20	.03	Barry Hollinger	88,200	.17½	.18	.15	.16
No	1.45	.30	Base Metals	200	.80	.85	.85	.85
1	.21	.04	Big Missouri	9,000	.11	.12½	.11	.12
1	.12½	.02	Bobjo	64,200	.12	.12½	.11	.12
1	.24	.02½	Brett Trethewey	57,960	.19½	.24	.19½	.24
1	.03	.00¾	Brownlee	76,600	.02¼	.03	.02¼	.02¼
1	.01	.00¼	Buckingham	......	.00¼	.....	.....	.....
No	.36	.02	Buffalo Can.	10,000	.02¼	.02½	.02½	.02½
No	.04	.01	Bunker Hill	10,500	.02	.02½	.02	.02
5s	1.03	.10	B'Wana McKubwa	......	.80	.....	.....	.....
No	.04	.02	Canam Metals	......	.02½	.....	.....	.....
1	.12½	.01½	Can. Kirkland	181,762	.10½	.12½	.09½	.12
1	.02½	.00¼	Capital Rouyn	1,000	.00½	.00½	.00¼	.00¼
1	.07	.01½	Cartier Malartic	7,500	.02	.02	.01½	.01½
1	.21½	.09	Castle Trethewey	39,840	.18	.21	.18	.19½
1	.09½	.04	Cen. Manitoba	11,700	.08½	.08½	.07½	.07½
1	.22	.02	Cen. Patricia	71,344	.18	.19	.17½	.17½
No	.07½	.01	Chibougamau Pros.	17,500	.04½	.06½	.04	.06½
No	.02¼	.00¼	Clericy	164,500	.01½	.02½	.01½	.02¼
5	5.00	.45	Coast Copper	535	1.80	2.25	2.00	2.00
1	.02½	.00½	Cobalt Contact	......	.01¼	.....	.....	.....
No	.16	.15	Cobuc	......	.15½	.....	.....	.....
1	.14	.03	Columario	47,600	.08	.10½	.08	.09
5	1.10	.09	Coniagas	200	1.05	.75	.75	.75
No	.50	.23	Coniaurum	13,037	.30	.37	.30	.32½
25	102.00	25.00	Cons. Smelters	3,049	59.00	65.50	59.50	62.25
No	15.75	9.00	Dome Mines	7,720	15.60	15.75	15.30	15.50
No	.10	.02	Dom. Explorers	22,500	.04	.05	.04½	.04½
1	.00¾	.00¼	Dominion Kirk.	1,000	.00½	.00½	.00½	.00½
1	.04	.00¾	Don Rouyn	7,200	.03	.03	.02½	.02½
.	.04	.02½	Duparquet	......	.02½	.....	.....	.....
1	1.61	.76	Eldorado	22,920	1.52	1.56	1.42	1.45
No	2.40	.47	Falconbridge	7,650	1.95	2.05	1.90	1.95
1	.04	.00¾	Federal	29,000	.02¼	.02¼	.02	.02¼
No	.02½	.01½	Flintoba	124,000	.....	.02½	.01½	.02¼
.	.01	.01	Gilbec	4,000	.....	.01	.01	.01
1	.07	.00¾	Goldale	43,600	.06	.07	.06½	.07
10	.24	.05½	Goldfield	2,000	.10	.15	.15	.15
1	.00¾	.00¼	Gold Hill	171,900	.00¾	.00¾	.00½	.00¼
1	.04½	.02	Goodfish	33,000	.02	.04½	.02½	.03½
1	.03½	.00¼	Graham	3,500	.01½	.02½	.01½	.02½
1	1.61	.50	Granada	106,300	1.41	1.61	1.39	1.61
1	.22	.05	Groselle	5,500	.06	.08	.07	.07
1	.03½	.01	Harker	4,500	.03	.02½	.02½	.02½
1	.01¼	.00¼	Hilltop	31,500	.01½	.01½	.00¾	.00¾
5	7.10	4.25	Hollinger	24,630	6.85	7.10	6.70	6.85
1	.82	.26	Howey Gold	245,010	.72	.82	.72	.81½
No	5.30	.92	Hudson Bay	1,100	3.65	3.68	3.40	3.40
No	.36	.13	Huronian	160	.30	.33	.30	.30
No	13.50	4.00	Int. Nickel	15,034	9.25	9.37	8.87	9.00
1	.01¾	.00½	Jackson Manion	7,500	.01	.01	.01	.01
1	.25	.19	Keeley	......	.22	.....	.....	.....
1	.02½	.00½	Keora Mines	3,000	.01½	.02	.01½	.01½
1	.75½	.40	Kirk. Hud. Bay	16,350	.65	.75½	.65	.72
1	.02¾	.00½	Kirk. Hunton	561,300	.01½	.02¼	.01¾	.02
1	.55	.19	Kirkland Lake	133,600	.37½	.44½	.37	.44
1	.03½	.00¼	Kirkland Premier	7,000	.01½	.01½	.01½	.01½
1	.22½	.05	Kirk. Townsite	118,400	.17	.22½	.17	.21
20c	.01¾	.00¼	Koot. Florence	38,500	.01½	.01½	.00¾	.00¾
1	.01½	.01½	La Rose	......	.01½	.....	.....	.....
1	.41	.10	Lakeland	1,700	.20	.25	.18	.20
1	.29	.05	Lake Maron	28,900	.10	.15	.10	.15
1	35.10	24.90	Lake Shore	16,689	33.50	34.65	33.30	34.50
1	.09	.01½	Lebel Oro	23,500	.03	.03	.02½	.02¾
1	.41	.13	Macassa	243,110	.28½	.32	.28	.30½
1	.08	.02½	Malartic	13,900	.05½	.06½	.05	.06½
1	.04	.00¾	Malrobic	116,000	.01¾	.02¼	.01½	.01¾
No	.08	.02	Mandy	3,500	.04½	.05	.04½	.04½
No	.02¾	.00½	Manitoba Basin	107,800	.02¼	.02¾	.02	.02¼
5	25.00	14.70	McIntyre	7,230	23.10	23.50	22.50	23.25
1	.38	.25	McKinley	......	.38	.....	.....	.....
No	.09½	.01¾	McLeod River	53,200	.04	.04	.03	.03½
1	.26	.15	McVittie	17,600	.24½	.24½	.20	.24
No	.65	.40	McWatters	15,950	.60	.61	.50	.51
No	1.85	.58	Mining Corp.	25,165	1.75	1.79	1.58	1.60
1	.08½	.01½	Moffatt Hall	117,500	.02½	.03	.02	.02¾
1	.04	.02	Moneta	10,500	.02	.04	.02	.04
1	.45	.19½	Moss	162,025	.38	.40	.29½	.32½
1	.02½	.00¾	Murphy	95,500	.02	.02	.01¾	.01¾
No	.06¾	.01	Newbec	14,600	.04¾	.04¾	.04	.04¾
.	.05	.01¾	Night Hawk Penn.	33,500	.03½	.05	.03½	.04½
5	1.49	.50	Nipissing	10,990	1.32	1.49	1.35	1.45
No	23.25	12.50	Noranda	17,449	21.50	22.15	21.50	22.00
No	.39	.10	Nor. Canada	29,000	.38	.46½	.38	.45
.	.76	.65	Northern Metals	......	.76	.....	.....	.....
No	.02½	.00½	Old Colony	136,500	.02	.02½	.02	.02½
1	.10	.05	Osisko	3,200	.05	.10	.05½	.09
1	.18½	.07	Parkhill	143,450	.11	.18½	.11	.18½
1	.13¾	.11	Patricia Dent	......	.13	.....	.....	.....
1	.03	.01	Pawnee Kirk	5,000	.02	.03	.02½	.03
1	1.25	.35	Pend Oreille	1,070	.62	.62	.50	.61
1	.01¾	.00½	Peterson Cobalt	7,000	.01	.01½	.01	.01
1	4.94	3.00	Pioneer Gold B.C.	8,475	4.55	4.55	4.45	4.52
1	.00¾	.00¼	Porcupine Crown	......	.00¾	.....	.....	.....
1	.02	.00¾	Potter Doal	......	.00½	.....	.....	.....
1	.12	.12	Powell Rouyn	......	.12	.....	.....	.....
1	.78	.32	Premier Gold	34,160	.70	.78	.70	.74½
1	.01¼	.00½	Preston E. Dome	3,000	.01½	.01½	.01½	.01½
No	1.31	.15	Prospectors Air's	200	.80	.85	.80	.80
No	1.00	1.00	Quebec Pros	......	1.00	.....	.....	.....
No	.15	.03	Quemont	6,270	.14½	.15	.10	.14½
1	.02¼	.00½	Ribago	27,500	.01½	.01½	.01¼	.01¼
1	.02¾	.01	Ritchie	13,000	.01¼	.02	.01⅛	.02
1	.02¾	.00½	Robb Montbray	8,000	.01½	.02½	.02	.02½
1	1.05	.25	San Antonio	65,028	.94	1.05	.93	1.02
1	.09	.03	Seven Troughs	......	.03	.....	.....	.....
1	.77	.18	Sherritt Gordon	28,415	.38	.46	.37	.43
1	1.65	.50	Siscoe	319,220	1.51	1.65	1.44	1.64
1	.10½	.00½	South Keora	33,700	.10	.10½	.09	.09
No	.06	.00¾	Stadacona	201,950	.04	.04	.03½	.03½
1	.17	.05	St. Anthony	2,500	.08	.10	.08	.10
No	.90	.16	Sudbury Basin	4,950	.75	.80	.70	.72
1	.02½	.00¾	Sudbury Contact	6,500	.01½	.01½	.00¾	.01
1	.01¾	.00¾	Sudbury Mines	94,300	.00¾	.01¾	.00¾	.01½
1	.27½	.07½	Sullivan	73,250	.25	.27½	.25	.27½
1	.97	.39	Sylvanite	181,400	.87	.97	.86	.96
1	.07	.01	Tashota	12,300	.02½	.03	.02	.03
•	.18	.02	Tashota Goldfield	6,200	.17½	.18	.17½	.17½

Par Val.	Range 1932-33 High	Low	Company	Sales	Close Jan. 23 (or last)	High for week	Low for week	Close Jan. 31
1	5.25	3.05	Teck Hughes	52,300	4.28	4.36	4.05	4.11
1	.07½	.02	Thom. Cadillac	3,000	.05	.05½	.05	.05½
1	.40	.10	Towagmac	2,400	.14½	.15	.13	.13
1	3.00	1.00	Treadwell	1,850	1.45	2.00	1.60	1.60
1	.09½	.02	United Kirkland	6,000	.06	.07½	.06½	.06½
No	.12	.00¾	Vacuum Gas	108,750	.04½	.04½	.03½	.03½
No	1.10	.16	Ventures	97,320	.93	.95½	.86½	.91
1	.18	.04	Vickers	......	.11½	.....	.....	.....
1	.45	.18	Vipond	11,702	.26	.30½	.25	.28
No	1.01	.25	Waite Ackerman	1,200	.45	.42	.40	.40
1	.08	.01	White Lake	......	.02	.....	.....	.....
1	.02	.00¼	Wiltsey Coughlan	1,000	.01	.02	.02	.02
1	.10	.04½	Wood Kirkland	3,000	.07	.08	.07	.08
No	4.57	2.09	Wright-Hargreaves	110,795	4.21	4.57	4.13	4.53
			OIL STOCKS					
No	.19	.07½	Acme Gas & Oil	6,300	.09½	.09½	.09½	.09½
1	1.17	.60	Ajax	5,050	.71	.74½	.70	.70
1	.18	.04½	Alta. Pacific	......	.09	.....	.....	.....
1	.03½	.02	Askalta	......	.03½	.....	.....	.....
No	.20	.02	Associated	1,450	.06	.07	.05	.06
No	.09	.01	Baltac	......	.02	.....	.....	.....
.	.05½	.00¼	Benton	......	.00½	.....	.....	.....
1	.05	.02½	Brit. Dominion	......	.03½	.....	.....	.....
No	.60	.14	Calgary & Ed.	300	.35	.30	.25	.30
1	.15	.04	Calmont	1,000	.05	.04	.04	.04
1	.14	.03	Common. Pete.	2,000	.04	.04	.04	.04
No	.40	.05½	Dalhousie	22,000	.15	.18	.14	.14
No	.01	.01	Devenish	......	.01	.....	.....	.....
No	.02	.00½	Dome Oil	......	.00½	.....	.....	.....
No	.16	.04	East Crest	500	.06½	.06½	.06½	.06½
No	.01½	.01	Fabyan Pete	......	.01½	.....	.....	.....
No	.25	.05	Foothills	......	.15	.....	.....	.....
No	.03½	.02	Freehold	......	.02	.....	.....	.....
1	.02	.00½	Great West	......	.00½	.....	.....	.....
No	.06½	.03	Hargal	......	.03	.....	.....	.....
No	.05	.02	High Sarcee	......	.02	.....	.....	.....
No	.85	.15	Home	600	.40	.35	.35	.35
No	.05	.01½	Homestead	......	.01½	.....	.....	.....
1	.50	.09	Homestead O & G.	6,500	.17	.19	.17	.17½
1	.01	.00¼	Illinois Alberta	......	.00½	.....	.....	.....
No	.02½	.00¾	Lethbridge	......	.00½	.....	.....	.....
No	.10	.04	Lowery	......	.10	.....	.....	.....
No	.02	.00¾	Madison	......	.00½	.....	.....	.....
1	.32	.05½	Mayland	100	.16	.15	.15	.15
No	.04	.01¼	McD. Segur Ex.	......	.01½	.....	.....	.....
1	.04½	.01	McD. Segur N.	......	.01	.....	.....	.....
1	.50	.18	McLeod	......	.18	.....	.....	.....
No	.10½	.06½	Mercury	......	.07½	.....	.....	.....
No	.22	.04½	Merland	......	.15	.....	.....	.....
No	.15	.08½	Mill City Pete	......	.08½	.....	.....	.....
1	.20	.12½	Model	......	.13	.....	.....	.....
1	.05	.04	Monalta	......	.05	.....	.....	.....
1	.07	.03	Moose Mountain	......	.03	.....	.....	.....
1	.01	.01	New Federal	......	.01	.....	.....	.....
5	.20	.01	Nordon	15,200	.13	.13	.10	.10
1	.06	.02½	Oil Selections	3,000	.03½	.03½	.03½	.03½
No	.05	.02½	Okalta	......	.03	.....	.....	.....
No	.32	.09	Olga Gas & Oil	600	.24	.21	.21	.21
No	.30	.01½	Penn. Pete.	22,000	.03½	.03½	.02½	.03
1	.28	.12	Petrol Oil & Gas	4,000	.15	.16	.15	.16
No	.14	.08	Ranchmen's	......	.09	.....	.....	.....
1	.01	.00¾	Regent	......	.01	.....	.....	.....
No	.02½	.01	Richfield	......	.01	.....	.....	.....
No	9.85	3.95	Royalite	20	7.00	7.00	7.00	7.00
1	.29½	.05	Sarnia Oil	11,500	.08½	.08½	.08½	.08½
1	.03	.01	Signal Hill	......	.01	.....	.....	.....
No	.12	.04	South West Pete.	......	.04	.....	.....	.....
1	.30	.10	Spooner	......	.15	.....	.....	.....
No	.21	.05½	Sterling Pacific	......	.13	.....	.....	.....
.	.43½	.43	Trinidad Oil	......	.43½	.....	.....	.....
1	.11	.07½	Turner Valley	......	.07½	.....	.....	.....
No	.08	.03	United	......	.03	.....	.....	.....
1	.09½	.03	Vulcan	......	.03	.....	.....	.....
No	.02½	.00½	Wainwell	2,100	.01	.01	.01	.01
			VANCOUVER STOCK EXCHANGE (Transaction for Week to January 24)					
25c	.00½	.00½	Bayview	......	.00½	.....	.....	.....
1	.60	.60	B. C. Silver	100	.....	.60	.60	.60
20c	.05½	.02	Beaver Silver	2,500	.02½	.03	.02½	.03
25c	.04	.01	Bluebird	......	.01	.....	.....	.....
No	1.70	.50	Bralorne	10,814	1.64	1.61	1.50	1.55
1	.12	.04	Bridge River Cons.	80,600	.06½	.07	.05½	.07
1	2.75	2.00	Caribou Gold	2,100	2.25	2.75	2.25	2.75
No	7.50	6.40	Coast Breweries	158	7.50	6.75	6.50	6.75
25c	.01½	.00½	Cork Province	......	.00½	.....	.....	.....
1	.13	.02	Cotton Belt	4,250	.02	.02½	.02½	.02½
1	.01½	.01½	Dalhousie Mines	......	.01½	.....	.....	.....
1	1.00	.15	George Copper	400	.35	.30	.30	.30
50c	.02	.01	Geo. Enterprise	......	.01	.....	.....	.....
1	.05	.01	Georgia River	9,500	.02½	.03	.02½	.02½
1	.35	.10	Golconda	......	.10	.....	.....	.....
50c	.08	.02	Grandview	10,000	.03½	.04	.03½	.04
1	.01	.00¾	Independence	......	.00¾	.....	.....	.....
1	.01½	.01	Indian Mines	......	.01	.....	.....	.....
1	.15	.08	Inter. Coal	500	.10	.10	.10	.10
1	.21	.21	Jack Waite	......	.21	.....	.....	.....
25c	.00¾	.00½	Kootenay King	......	.00½	.....	.....	.....
10c	.04	.01	Lucky Jim	......	.01½	.....	.....	.....
5c	.12	.04	Metaline Metals	......	.06	.....	.....	.....
1	.03	.00½	Morton Woolsey	......	.00½	.....	.....	.....
50c	.03½	.00½	National Silver	70,935	.02	.02¾	.02	.02¾
50c	.08½	.02	Noble Five	14,000	.03½	.04	.03	.04
50c	.01	.00½	Oregon Copper	......	.00¾	.....	.....	.....
1	4.85	3.00	Pioneer Gold	5,960	4.42	4.60	4.50	4.50
50c	.08½	.02	Porter Idaho	3,000	.06	.06½	.05½	.06½
No	.02	.00½	Premier Border	......	.00½	.....	.....	.....
No	.35	.07½	Reeves McDonald	......	.15	.....	.....	.....
1	.77	.21½	Reno Gold	24,620	.71½	.77	.71	.73
1	.02½	.00½	Rufus Argenta	......	.00¾	.....	.....	.....
1	.05	.02	Ruth Hope	500	.03¾	.03½	.03½	.03½
1	.05	.02	Silverado	......	.05	.....	.....	.....
25c	.02½	.01	Silver Crest	2,000	.01½	.01½	.01½	.01½
50c	.02¾	.00½	Snowflake	5,000	.01½	.01½	.01½	.01½
1	.79	.20	Sunloch	......	.20	.....	.....	.....
No	.06	.05	Vanalta Oil	......	.06	.....	.....	.....
20c	.02½	.01	Wellington Mines	......	.01	.....	.....	.....
1	.06½	.00½	Whitewater	3,000	.03	.04	.04	.04

DIVIDEND PAYERS

	Rate	Yield %		Rate	Yield %
Ajax Oil	12c.	....	Merland Oils†	2½c.	....
Coniagas*	12½c.	....	Noranda	$1.10	....
Coniaurum†	3c.	....	Petrol Oil	2c.	....
Cons. Smelters*	10%	....	Premier	12c.	16.10
Dome Mines	$1+10c.	7.00	Pioneer B.C.	24c.	5.30
Falconbridge	10c.	....	Royalite	$1.50	....
Hollinger	65c.+10c.	10.94	Siscoe	12c.	7.94
Howe Sound	40c.	....	Sterling Pac. Oil†	2½c.	....
Lake Shore	$2+$1	8.95	Sylvanite	4+1c.	5.20
McIntyre	$1.50	6.45	Teck Hughes	60c.	14.59
McLeod Oils*	5c.	....	Wright-Har.	10+5c.	3.31

*Stock. *Interim. †Initial.

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Footloose on Centre Island

Being further unique adventures of Our Wandering Reporter — with apologies to Gordon Sinclair. New aspects of the Hinterland south of Toronto brought to light by Arthur Lowe.

What Does the Public Want?

A record of a spirited argument on music between Raymond Mullens and Clement Hambourg, scion of an aesthetic "Royal Family."

Other Features in This Issue

Among the other delightful features in this issue are reviews, criticisms and articles on all the best in entertainment, recreation and current topics. Here are a few that will interest you—

FICTION
"Hors D'Oeuvre"—by Ellen Evelyn Mackie.
AS I WAS JUST SAYING
Raymond Mullens comments on current offerings.
WHO'S WHO AND HOW
By Arthur Lowe. A review of a popular book and incidental reflections upon the famous, the near-famous and the not-at-all famous.
MOTION PICTURE REVIEWS
A preview of new Old Country offerings and reactions to three current productions of Hollywood.
UNDER THE CARILLON
The programme of Parliament reveals a little close harmony and a few clashing tones.
THIS AND THAT
Molly McGee extracts a few more gems from her diary.
MARITIME DIVERSIONS
By Douglas MacLennan.
CHILLS AND SHUDDERS
In the Little Theatre.—Montreal's dramatic workshop finds inspiration in ghostly fare — By Molly McGee.
TUNING IN ON DAVENTRY
A few sidelights on the Empire Broadcasting System.
LOOKING DOWN FROM MOUNT ROYAL
By Frederick Edwards.
CONTRACT BRIDGE
Edward Farmer continues his discussion of the twelve worst plays.

Word Puzzles — Page of Radio Personalities — Comics
Complete Radio Programmes up to February 10th.

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Canadian Mining News

DOME DIVIDEND NOW GOVERNED ONLY BY PROFITS

Mine Looking Fine and Earnings Are at High Level

By Staff Editor

NEW YORK.—"I see no reason why the quarterly dividend of 25 cents per share plus a bonus of 20 cents a share for Dome Mine shareholders, cannot be maintained or even increased in 1932 so long as a high premium prevails on United States funds," Jules S. Bache told The Financial Post in New York last week.

While the established dividend disbursement of 25 cents per share, plus a bonus of 20 cents per share, is equivalent to an annual disbursement of $1.80 per share, Mr. Bache prefers to refer to it as a $1 dividend plus a bonus. "I am confident," he said, "that there will be no difficulty, in view of present developments at the mine, for us to maintain the established $1 dividend, irrespective of any sweetener by way of exchange compensation, due to premium on U. S. funds. In so far as the mine is concerned development never looked better, and indications are that the proven ore reserves at the end of 1932 will be the greatest reported in the company's history. The new work being undertaken to the east is most encouraging, and while it may have new mine-making possibilities I would hesitate to brand it as such until more work is done."

Asked as to his view of a greater investment position being taken by New York interests, he said it was his impression that in view of the splendid showing made throughout the years of the depression by the leading dividend-paying gold stocks, that he felt that investors who had largely confined their securities to industrial stocks now had a greater appreciation for the gold stocks.

ASHLEY REPORTS PROSPECTS BEST ON LOWER LEVEL

Two Years Ore Apparent New Vein is Encountered

The quarterly report of Mining Corp. of Canada, covering the three months ended December 31, 1932, principally concerns the operations of its subsidiary, the Ashley Gold Mining Corp., in the Matachewan area, where, the report says, the coming period will be an important one as two new lower levels, at 625 ft. and 750 ft. respectively, are opened up.

During the period under review a vertical winze was completed from the 500 ft. level to the 750 ft. horizon and crosscutting to the Ashley vein undertaken on the two lower levels. The report comments on these two new levels as assuring two years' supply of ore on a 75 ton daily basis should ore conditions simliar to those on the 500 ft. level prevail.

New Vein Encountered

A crosscut driven west on the 500 ft. level, a distance of 180 ft. from the winze, encountered a vein parallel to the Ashley. This vein has shown values similar to the Ashley in three diamond drill intersections.

Drifting south on the Ashley vein on the 500 ft. level encountered a fault some 580 ft. south of the shaft. The vein was again picked up after a throw of 30 ft. to the west, where drifting now in progress, evidences average vein values.

Since August 25, 1932, the mill designed for about 150 tons daily has been in continuous operation, averaging around 60 tons daily. In recent weeks the capacity has been nearer 75 tons daily and now plans are announced to bring operations up to about 115 tons daily. This will be accomplished without materially affecting mining operations or the resultant recovery since hand picking of the ore will be reduced. Owing to the mill being of considerably higher rated capacity than average operations in the past few months absorption has been correspondingly higher, locking up greater quantities of gold. Mill heads for October, November and December averaged $16.81 per ton but the resultant recovery bears but little relation to these values, owing to the absorption referred to. The mill has been a metallurgical success, the average recovery being around 97 per cent.

Mining Corp.'s silver property at Cobalt suspended operation in December after a long and profitable record as a producer. Final extraction came from the known ore bodies, at or near the lake bottom on the Cobalt Lake property. All the known ore shoots that offered a profit at current silver prices have been exhausted, but the report says that should a sufficient rise in price prevail certain sections might justify exploration at a later date. The total silver production for 1932 was 1,177,971 ounces.

Teck-Hughes Earns 16c in Last Quarter

An interim statement of estimated earnings by Teck-Hughes Gold Mines, covering the three months ended November 31, shows a net profit of $774,749 equivalent to 16 cents per share, as compared with $755,150 or 15.7 cents per share in the corresponding period in 1931.

The following tabulation gives comparative figures:

	Three Mos. Ended Nov. 30 1932	Nov. 30 1931
	$	$
Gross income	1,495,340	1,485,460
Operating costs	558,762	578,300
Net earnings	936,578	907,160
Less: Estimated taxes	88,329	75,810
Net before deprec. ..	848,249	831,350
Estimated deprec. ...	73,500	76,200
Net profit (estimated)	774,749	755,150
Earnings per share..	$0.161	$0.157

Moss Deal Sweetened By Stock from Vendor

President's Statement Does Not Cover Pertinent Criticisms of Affairs

In a letter dated January 28, Norman R. Fisher, president of Moss Gold Mines, apprises shareholders of points raised and of criticism of his company by The Financial Post, in last week's issue, admitting that the sale of shares was sweetened by the sale of 1,000,000 shares of vendors stock. Mr. Fisher does not answer the more specific question raised in last week's article, as to the ore developments that might warrant the increase of the mill to 200 tons daily, which rumor is being circulated without denial.

Mr. Fisher confirms the statement of The Financial Post that the vendors, Shield Development Co., received 2,000,000 shares plus $65,000 and in addition passed on to the Moss the liability of $83,000 owing on the property. Mr. Fisher says he did not receive any of the vendors' shares, that these went to Shield Development Co. At the time of the deal Mr. Fisher was the president and managing director of Shield.

Shareholders will be interested in the official admission that 1,000,000 shares of vendors stock were used to sweeten the sale of 1,238,312 shares to unknown financial interests. Since this financial deal was consummated shareholders have been advised, over the signature of Norman R. Fisher, that these shares were sold at 40 cents each. Strictly speaking, this is true, but until the letter of January 28, there was no inkling of a block of 1,000,000 shares of vendors stock to sweeten the deal, which would bring the average price well below the 40 cent figure.

On January 28, 1931, when the shares of the company were listed on the Montreal Curb, an affidavit was made that of the then outstanding 2,833,962 shares only 470,667 were pooled, and that this pool expired December 31, 1931, thus leaving free for trading all vendors shares.

N. A. M. E. PLANS NEW COMPANY TO WORK FINDS

Pioneer Aeroplane Exploration Company Sets to Development Task

Shareholders of Northern Aerial Mineral Exploration are in receipt of official advice, calling an annual and special general meeting of shareholders of the company on February 3 in Toronto, for the purpose of ratifying the assets of the company to a new company, to be incorporated, known as the Northern Aerial Canada Golds Ltd.

When the capital reorganization is completed 2,560,150 shares out of the 5,000,000 no par value shares of the new company will be issued to the old shareholders. Each holder of a preferred share will receive 50 shares in the new company, while each holder of a common share will be entitled to five shares in the new company, leaving approximately 2,500,000 shares in the treasury for further financing.

John E. Hammill, president of the Northern Aerial Mineral Exploration, makes the observation that the company was formed just five years ago for the purpose of exploring for mines and minerals in northern portions of Canada and elsewhere. The five-year programme is now ended, and in order to finance the development of the company's property it is planned to reorganize and simplify the company's capital structure, making it more suitable for present day financing purposes.

Pioneer Airplane Company

Northern Aerial Mineral Exploration was the pioneer exploration company in Canada to operate with the aid of airplanes in the search for prospecting and developing of mining properties. The leadership it gave in demonstrating the value of airplanes for prospecting was largely responsible for the establishment of commercial air transport companies that now serve the remotest corners of the Dominion. Inasmuch as establishment of commercial companies made unnecessary the maintenance of its own airplanes, the company disposed of its flying equipment in 1931.

At the time of organization the company was little more than a name, intent on pursuing the unique exploration policy conceived by its president, John E. Hammill. Since that time approximately 500,000 miles has been flown in exploring remote corners of the Dominion. The net result has been the retaining of some ten groups totalling 192 claims in Quebec; 36 claims in the Island Lake district of Manitoba; four groups totalling 81 claims in Ontario and the mining concession consisting of 25 square miles in the Northwest Territories.

With funds to be made available by the new capital set up it is proposed to undertake the extensive development of these holdings.

Buchans Mining Is Supporting Big Community

Even though the prices for lead and zinc were the lowest in history, Buchans Mining Co. continued through 1932 full scale operations at its Newfoundland property. For the year it milled 438,225 dry short tons of ore with a production of 53,159 tons of lead concentrates and 130,895 tons of zinc concentrates.

This operation was particularly helpful in the way of revenue to the Newfoundland Government Railway over which this aggregate of 184,054 tons of concentrates was shipped from Buchans to the port of Botwood for shipment abroad to England, Germany, Belgium and Norway.

Full scale operations are at present being maintained thus continuing to give employment at Buchans and to help the government railroad. Whether full scale operations can be continued throughout 1933 will depend upon the course of lead and zinc prices over the next month or two and the then price outlook, officials state.

Atlin Ruffner Mines Call Annual Meeting

Shareholders of Atlin-Ruffner Mines are notified of the annual general meeting to be held in Vancouver on February 7, 1933, at which time further financing of the company's property on Leonard Mountain, Atlin district, British Columbia, will be discussed.

Buffalo interests acquired control of the company following Charles V. Bob of New York going into bankruptcy. The financial statement dated December 31, 1932, shows current assets of $158 and current liabilities of $11,302, in addition to ore contracts and contracts payable amounting to $14,587. The company has a capitalization of $3,000,000 in $1 par value shares of which 2,397,744 are outstanding.

Frederick Burnett New Dome Director

Frederick Burnett, well known mechanical engineer of Toronto, has been elected a director of Dome Mines Ltd. to fill the vacancy caused by the death of Robert F. Segsworth in December last.

Mr. Burnett was active before the annual meeting of Dome shareholders last year, in eliciting a promise from Dome officials to give consideration to the payment of higher dividends, which, since that time, have been increased by bonuses from the established rate of $1 to a current rate of $1.80 per share annually.

Lake Shore's Tailings Mill Ready by June

As announced through these columns a few weeks ago Lake Shore Mines proposes to hoe its own row insofar as the reclamation of tailings in Kirkland Lake is concerned. An addition to the mill is being made that will provide for the treating of approximately 1,000 tons of tailings daily by about June of this year.

Last spring in conjunction with the Wright-Hargreaves Mines, Consolidated Tailings was formed in which Lake Shore had about 75 per cent interest. The projected undertaking by this company, however, was abandoned, following Lake Shore's decision to operate independently.

The design of the new tailings recovery plant is based on the metallurgy worked out by Wm. Englebright and Lee Duggan, consulting engineers who have successfully applied their metallurgical developments and processes to Lake Shore ore.

It is planned to install a centrifugal pump, acting as a suction dredge to reclaim the tailings from the bottom of Kirkland Lake, where values, particularly from the early operations, are known to be important.

Howe Sound Losses Cut in Last Quarter

Quarterly report of Howe Sound Co., covering operations for the three months ended December 31, 1932, shows a net loss of $10,663 after depreciation of $44,921 as compared with a net loss of $83,241 in the previous quarter. The value of metal sold showed considerable appreciation in the last quarter, principally attributable to the substantial increase in the zinc output.

The following tabulation gives financial and production statements for the last two quarterly periods:

	4th qu. ended Dec. 31 1932	3rd qu. ended Sept. 30 1932
Financial:	$	$
Value of metals sold	839,446	492,648
Operating costs	843,852	588,158
Operating income ..	*4,406	*95,510
Add: Misc. inc.	38,664	51,823
Total income	34,258	*43,687
Less: Deprec. res. ...	44,921	39,554
Net income	*10,663	*83,241
*Loss.		
Production:		
Gold, ounces	nil	nil
Silver, ounces	574,656	542,137
Copper, lbs.	nil	nil
Lead, lbs.	15,032,044	15,317,876
Zinc, lbs.	16,566,518	3,713,615

Mercury Oils Profit $90,381 After Reserves

Annual report of Mercury Oils for the year ended December 31, 1932, shows a net profit of $90,381 after a depreciation and depletion allowance of $84,906 as compared with a net profit of $175,088 the previous year.

The gross income from oil sales, less royalties, was $234,520 as compared with $408,069 in 1931. The net operating income before administration and general expenses was $220,770 as compared with $368,867 in 1931.

In 1931 the company paid a five cents per share dividend which left it with current liabilities of $59,259 in excess of current assets at the end of that year. In 1932 the omission of the dividend enabled the company to build up current assets $115,764 in excess of current liabilities.

The outstanding capitalization as at December 31, 1932 was 3,213,166 shares out of 5,000,000 authorized.

The annual meeting of the company is called for February 7, in Calgary.

Standard Stock Is Busy Exchange N.Y. Buys Seats

The recent purchasers of seats on the Standard Stock and Mining Exchange are now disclosed as Jenks Gwynne & Company and J. R. Timmins & Co., both members of the New York Stock Exchange, with branch offices in Toronto.

These firms both have direct wires to their New York offices, and membership on the Standard will facilitate trading in mining stocks for their clients.

In addition to receiving these two new exchange members, no less than 10 new ticker services have been installed in Montreal, Ottawa, Brockville, Kingston, Brampton, Hamilton, London, Winnipeg and Vancouver, to expedite the trading in mining stocks throughout the Dominion.

Transactions on the Standard Stock & Mining Exchange reached a new high level for the week ended January 28, when 11,212 transactions caused 6,399,000 shares to change hands. This compares with 3,336,000 shares in the largest week of 1932 and 4,369,000 shares, the largest week's trading in 1933.

LITTLE LONG LAC SHOW PROMISING, COMPANY FORMED

Drilled Over Length of 900 Feet and to 365 Feet Depth

Little Long Lac Gold Mines, Ltd., is the name of the newly incorporated company formed to develop and bring into production the properties held by the Sudbury Diamond Drilling Co., at Little Long Lac, just east of the Nipigon forest reserve and three miles south of mileage 21 on the Port Arthur branch of the Canadian National Railways.

The new company will in reality be a closed corporation, since only about 200,000 shares out of the 2,000,000 no par value shares authorized will presently be issued for financing. Joseph Errington, together with J. P. Fitzgerald and a third party, owns the Sudbury Diamond Drilling Co., and it was through the efforts of the syndicate, financed by this group, that this find was brought to light which is regarded by mining men as one of the most important discoveries recorded to date in this section of Ontario.

Again the value of prospecting close to the railway is exemplified, as the site of the new find is less than three miles south of the railway and is made further accessible by a water route from Langmuir, a station a little farther to the east.

Staked Last Summer

Quietly working away since last summer this group has by surface trenching and diamond drilling indicated an ore zone some 900 ft. in length, partly across a point projecting into Little Long Lac and into the shallow water beyond. To date 14 diamond drill holes have been put down to a maximum vertical depth of 365 ft. on a vein that dips to the south. Every drill core except one showed free gold. The part of particular interest is that along the whole of some 400 feet exposed on the surface one may take samples showing finely disseminated gold, not visible to the naked eye but which give spectacular assays.

Unusual interest has been lent to the find by the romantic figure of the prospector responsible for its discovery. It appears that he has led a more or less secluded existence in the area since 1914—the beginning of the war, owing to his racial origin. Many years ago he was known to have delivered some $750 to the Hudson's Bay trading post pounded out of the rocks of the area, the source of which he has kept a closely guarded secret. Last summer a scout for the drilling company effected negotiations, which resulted in the find being acquired. While the property under development is not the source of the gold delivered to Hudson's Bay Co., it gives great promise, particularly for its consistent showing in relatively long lenths to a depth of 365 feet.

Taking in Plant

About 30 claims are included in the group acquired and subsequently staked by the syndicate. Already plans are laid for taking in a Diesel engine driven mining plant to sink a shaft, and plans are being prepared for a 50-ton mill, planned for operation by August next.

BARRY-HOLLINGER INCREASES CAPITAL

Funds Coming From Financial House Makes Exploration Work Possible

Shareholders of Barry-Hollinger Mines are in receipt of notice calling the annual meeting for Feb. 6, 1932, in Toronto, to ratify an increase in the authorized capitalization.

It is proposed to increase the present authorized capitalization of $3,000,000 in $1 par value shares to $4,000,000, in order to provide treasury shares for additional financing. In December last the announcement was made that financing arrangements had been concluded with Sisto & Co., of New York. At that time the company had approximately 600,000 shares in its treasury. The new arrangement has worked out in a most satisfactory way for Barry and to date approximately $33,000 has been placed in Barry's treasury and a corresponding amount of treasury shares taken up. Under an extensive exploration programme, directed by Percy Hopkins, the company's consulting geologist, it becomes necessary to make provision for financing that will complete this programme.

The company ended 1932 free of debt, except for minor current accounts, and it is now thought that it may be possible to carry along the development work planned without suspending production. All funds received from the fiscal agents have been earmarked for exploration and development work only, the mining operations paying all costs attendant thereto.

Nickel Resumes Work at Refinery

Officials of International Nickel Co. of Canada announce the resumption of operations at its nickel refinery at Port Colborne, Ont., with the placing in operation of two calciners in the nickel oxide department, which had been closed down since the end of October.

Just before Christmas it was announced that the Orford process section of the Copper Cliff plant would resume operations, which indicates that the company's accumulated stocks are being liquidated, necessitating their being replenished.

Parkhill Gold Makes Ore Fast On Fifth Level

An official report by Parkhill Gold Mines states that ore blocked out in January was sufficient for three months' operations on a 100-ton daily basis. The grade averages better than $15 per ton and it is expected by April 1, sufficient ore will have been developed to insure steady production on a profitable basis for the balance of 1932.

On the fifth level, or at a depth of 615 ft., one ore shoot developed over a length of 140 ft., indicates about 6,000 tons of ore averaging $25 per ton. As far as explored the fifth level is a decided improvement over the levels above, officials state. The ore bodies are wider and longer and the quartz is heavily mineralized with visible gold freely distributed throughout.

Tailings

Goldbanks Kirkland Mine Ltd. has applied for an Ontario charter to succeed Goldbanks Syndicate, which has been developing a gold property known as Sawer-Legrod Martindale claims in Teck township, about two miles west of the Macassa property.

A shaft has been sunk on the property and lateral work done on the 50-ft. level. J. H. Sharmen, manager of the property, states that plans call for additional work in the immediate future.

* * *

Granada Gold Mines announces the appointment of A. F. Keene, M.E., of New York to act as consulting engineer for the company's property in Rouyn township, Quebec.

Vansom Gold Mines Ltd., incorporated with a Manitoba charter in 1932 to develop a find made on the Vansom claims one and a half miles north of San Antonio Mines, is to have a 25 ton mill, according to Winnipeg reports. Last summer a shaft was down approximately 50 ft. and at that point two veins which on the surface showed 6 inches and 15 inches respectively that widened to three and a half and four feet, separated by ten inches of greenstone. It is proposed to sink the shaft to 100 feet, while the mill will but sample the ore and decide future requirements.

* * *

Channel samples from the Rouyn township, Quebec, property of Astoria-Rouyn Mines gave assays of $4.80, $18 and $26 respectively from three samples from a vein 26 feet wide, about six feet below the surface in solid quartz. The mining plant has just been moved on to the property and it is expected to begin development on an enlarged scale.

* * *

The Goldale Mines has disposed of its three claims in Tisdale township, Porcupine district of Ontario. Dome Mines is reported as the purchaser at a price of $175,000. These claims straddle the northeast corner of the Dome Extension section of the company's property.

* * *

Reports from Johannesburg, South Africa, report the biggest trading in gold stocks on January 30 since 1895. Since South Africa suspended the gold standard activity in gold stocks has trebled.

Delta Metals Formed Plans Concentrator

The announcement is made that the Delta Metals Ltd., incorporated with an Ontario charter on December 19, 1932 and a capitalization of 1,500,000 no par value shares proposes holding a meeting in Toronto for the purpose of ratifying an agreement with the Delta Mines Syndicate which it succeeds.

Syndicate holders are to receive 200 shares in the new company for each unit held.

A couple of years ago attention was attracted to the company's efforts, owing to the claim made for the Vanadium content of its ore at Sudbury, which was not confirmed by the Ontario Department of Mines. Although the property has not been opened up for mining or any definite tonnage of ore indicated, a concentrator is being mooted.

Arntfield Shareholders Meet in Montreal

At a meeting of Arntfield Gold Mines shareholders held in Montreal on January 30, 1933, a financial statement was presented showing expenditures for the fiscal year ended October 31, 1932, as $43,548. Current assets totalled $25,801, including $684 in cash and $21,278 owing on stock subscriptions. Current liabilities were $11,126.

Out of the authorized capitalization of $3,000,000 in $1 par value shares, 1,732,595 shares have been subscribed.

H. C. Boydell, consulting engineer for the company, reported progress saying the property is on full time operation.

Retiring directors including F. S. Arntfield, president and managing director; G. C. Crawford, vice-president; H. W. Crossin, A. M. Boyd, and R. V. Arntfield were re-elected.

Canned Salmon Pack Gains

British Columbia's 1932 canned salmon pack totalled 1,081,031 cases and is worth approximately $6,358,000. The average annual value of the pack from 1925 to 1930 was $11,223,000.

Trail Smelter Receipts

Seventy-five shippers of ore to the Trail Smelter in 1932 accounted for 21,079 tons of concentrate and ore, as compared with 278,642 tons of ore and concentrate shipped from Consolidated Smelters own properties. The following list of shippers in 1932 indicates the activity of the small producers in British Columbia:

	1932 Dry Tons
Arlington, Erie, B.C.	3
Aurum, Aurum Siding	8
Bell, Beaverdell, B.C.	1,808
Ben Hur, Republic, Wn.	239
Blackcock, Ymir, B.C.	55
Bosun, Silverton, B.C.	22
Boulder City Group, Boulder Siding, B.C.	169
Carmi, Carmi, B.C.	124
Central Manitoba, Wadhope, Man. ..	1
Cliff, Silverton, B.C.	2
Chapleau, Slocan City, B.C.	5
Columbia, Erie, B.C.	19
Dawson, Aurum, B.C.	86
Dynamo, Greenwood, B.C.	2
D. A. Mine, Greenwood, B.C.	7
Eldorado, Great Bear Lake, N.W.T.	11
Evening Star, Rossland, B.C.	80
Enterprise, Paulson, B.C.	24
Gem, Orient, Wn.	3
Gold Drip, Rossland, B.C.	2
Gold Drop, Greenwood, B.C.	18
Gold Viking, Slocan City, B.C.	1
Golden Eagle, Nelson, B.C.	3
Goodenough, Ymir, B.C.	407
Grandoro, Penticton, B.C.	2
Granite, Taghum, B.C.	120
Gold Hill, Erie, B.C.	2
Highland Lass, Beaverdell, B.C.	579
Hixon Creek, Prince George, B.C. ..	8
I. X. L., Rossland, B.C.	98
Kerr Lake Lease, Cobalt, Ont.	37
Keystone, Erie, B.C.	28
Kile, Silverton, B.C.	5
Knobhill, Republic, Wn.	1,718
Kootenay Belle, Salmo, B.C.	236
Little Daisy, Silverton, B.C.	2
Little Giant, Orient, Wn.	8
Lone Pine Surprise, Republic, Wn. .	30
Meteor, Slocan City, B.C.	17
Midnight, Rossland, B.C.	341
Minnehaha, Danville, Wn.	23
Morning Glory, Republic, Wn.	110
Mountain Lion, Republic, Wn.	1,267
McKinney, Rock Creek, B.C.	1
Nevada, Nelson, B.C.	28
North Star, Greenwood, B.C.	127
O'Brien, Cobalt, Ont.	446
Oliver, Oliver, B.C.	18
Parvenue, Penticton, B.C.	202
Perrier, Nelson, B.C.	858
Pickworth, Methow, Wn.	1
Porsperity, Meyers Falls, Wn.	5
Queen Mine, Salmo, B.C.	19
Reno, Salmo, B.C.	54
Rio, Rambler, B.C.	43
Royal Canadian, Nelson, B.C.	3
San Poil, Republic, Wn.	237
Second Chance, Park Siding, B.C. ..	4
Silver King, Tulameen, B.C.	129
Snowdrop, Rossland, B.C.	1
Silversmith, Sandon, B.C.	30
Standard, Silverton, B.C.	10
Stemwinder, Greenwood, B.C.	32
Sunday Star, Meyers Falls, Wn. ...	5
Sunset, Orient, Wn.	357
Spokane Idaho Cu. Co., Libby, Montana	137
Tagore, Nootka, B.C.	2
Trevitt, Republic, Wn.	4
Union, Lynch Creek, B.C.	1,484
Vancouver, Salmo, B.C.	113
Venus Juno, Nelson, B.C.	123
Victor, Sandon, B.C.	64
Wellington, Beaverdell, B.C.	719
Wilcox, Ymir, B.C.	90
Yankee Girl, Ymir, B.C.	8,003
Total Customs	21,079
Total Company	278,642
Grand Total	299,721

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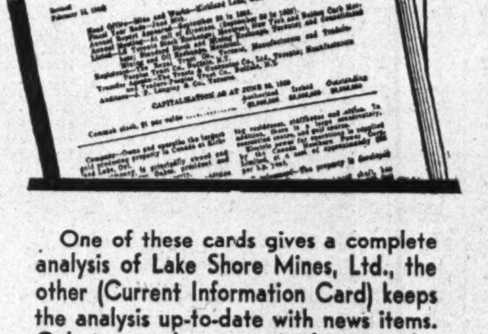
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